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THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

August 30, 1941

Japan Exploits China's Salt Industry

By S. Williams

The Invasion of Iran

Wanted: A Postal Agency

AN EDITORIAL

Will Japan Back Down?

Problem of Stabilizing the Chinese Dollar

By John Ahlers

VOLUME 97 PRICE 80 CENTS (in China) NUMBER 13

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NEW YORK BUFFALO LONDON

THE CASE OF JOHN ULLMAN'S CHILDREN

John Ullman served twenty years in the U.S. Navy in the Far East, following which he resided in Shanghai for ten years as a member of the U.S. Fleet Naval Reserve. He died late in 1939 in a Veterans' Hospital in the United States of heart failure. He had gone to the United States for the purpose of straightening up his citizenship, and according to information received in Shanghai, he was actually sworn in as an American citizen on his deathbed. However, the official papers concerning this action have never been received here.

ULLMAN IS SURVIVED BY FIVE SMALL CHILDREN

The children range in age from David who is 2½ years old to Margaret, who is 12 years old. The other children are John Jr. 8-yrs.; Frank 7-yrs. and Robert 4-yrs.

John Ullman was born in Russia and was taken to the United States by his parents when he was four years old. His parents were farmers residing at Yankton, South Dakota. Since his citizenship was not legally established, it has been impossible, to date, to have the children registered at the local American Consulate General. Mrs. Ullman is of Chinese nationality.

The Ullman children had been supported since their father's death by various American organizations here, including the American Legion, the United States Naval Relief (Washington, D.C.), the United States Fleet Reserve Association, Civic Department of the American Women's Club and the Panay Fund. The Panay Fund assumed responsibility for the support of the children more than two years ago.

The three older children, Margaret, John Jr. and Frank, have been kept in school as a result of donations from these organizations. Margaret is enrolled at the St. Joseph's Orphanage, while John Jr. and Frank attended the Asbury Academy. Their teachers have given them a favorable report.

Since we are now facing a new year, it is necessary to raise further funds for the support of these children, the lowest estimate being $100.00 a month for the daughter and $90.00 each for the two boys. It is hoped that the mother may be able to provide for the two smaller children, provided she can be assisted in connection with the older ones.

We will require a minimum of $3,360 for the schooling and clothing of the three children in the coming year beginning September 1. In case more is received, the balance will be devoted to other needy cases of similar character, of which there are many in Shanghai.

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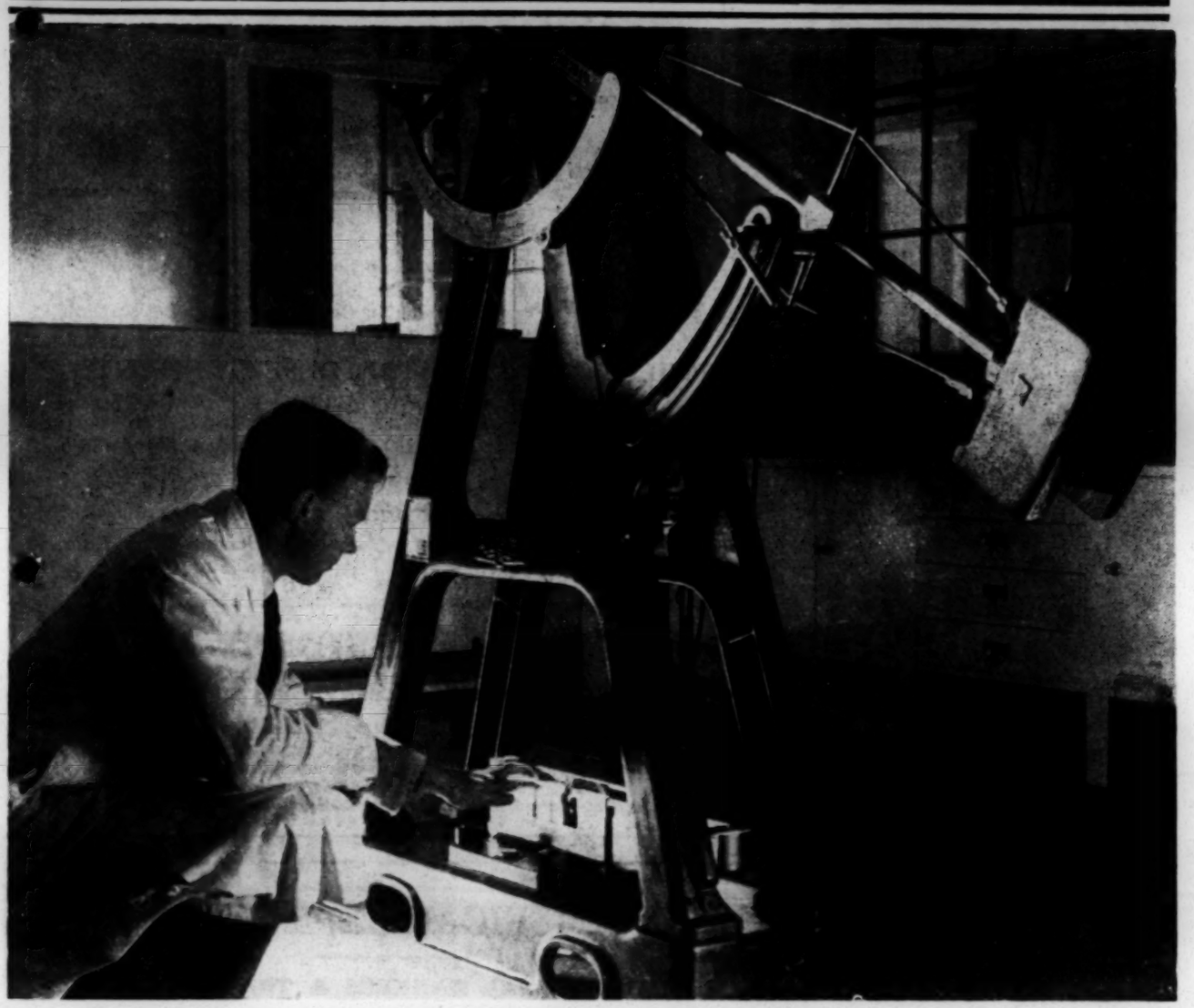

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What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

SANCTIONS

To the Editor:

As we know, many politicians and writers of the modern century say that the present war is a war of ideas and meanwhile the conflict of principles—Democracy fighting against Fascism.

In the Western hemisphere there is now progressing the severe conflict between England and Germany, and in the Far East there exists the Sino-Japanese war. Though both England and China are not fighting for the same interest, but their fundamental reasons of resistance are really same—the resistance of the predatory aggression and expansion of the Fascism.

America has always been praised as a peace-loving and leading democratic country, therefore her help of both spiritual and material to England and China has the same meaning and is morally undeniable.

Facts show before our eyes, England has gained tremendous war material and economic strengthening from U.S.A. Here, I dare say no English people could murmur any more. But as to China though she has gained much support from U.S.A. since the outbreak of the Sino-Japanese war, yet on the other hand America still supplies Japan, the aggressor, with oil and many other kinds of war material. This may explain why with poor resources Japan can carry on so long.

The seizure of French Indo-China and the approaching of Japanese troops toward the border of Thailand seemed to make the situation clearer. Japan is not dreaming to conquer China, but the whole Far East.

America seemed to realize appeasing Japan will only make her greedy more. Hence she began to conforce her first step of economic sanctions—the "freezing" order and the ban on oil exports to Japan. This brave behavior undoubtedly should gain our deeply applause and thankfulness. But her incomplete "freezing" order and ban on oil exports can only produce negligible effect. Thus what we want to urge U.S.A. more is the enforcement of a severe and strangling economic sanction to the Fascist Japan, and on the other hand give China with sincere tremendous support, so China as well as England could at the same time gain her final victory.

CHEN CHIANG-TUNG

Shanghai, Aug. 22, 1941

FOURTH ANNIVERSARY

To the Editor:

Amid intensive atmosphere the fourth anniversary of Shanghai War was observed quietly by Shanghailander. Due to the exceptional circumstance in Shanghai there was no ceremony marking the anniversary on the part of the Chinese community.

In commemoration of the fourth anniversary the first thing we have to say is to pay high tribute to the able-guardship of Generalissimo Chiang and the gallantry of our soldiers in putting up the four years' resistance which has successfully halted the invading forces for further advance.

As event stands now, we Chinese have every reason to believe that final victory is drawn near to our side. We welcome America's recent move in freezing Japanese assets and banning the exportation of motor fuel and lubricating oil to Japan which are indicative of America's determination to thwart the expansionist aim of Japanese Government, and further signify that China's four years' resistance against Japan has become worthwhile in seeing the United States to be adopting a new policy in the Far East.

It is timely for United States and Great Britain to forestall the aggressive aspiration of Japanese Empire, because China has repeatedly asserted her determination to embarrass her invading forces in China and will take advantage of launching counter-offensive, provided that Japanese troops are to be withdrawn to reinforce her expedition either Southward or Northward.

ALFRED WANG

Shanghai, Aug. 18, 1941

APPEASEMENT

To the Editor:

Appeasement of the aggressors is always a failure. Soothing a hungry tiger is only a danger to the soother. However, we know that during the first three months of 1941 American exports to Japan included 1,932,000 barrels of crude oil, 1,097,000 barrels of gasoline and fuel oil, 241,000 barrels of residual fuel oil.

President Roosevelt has admitted that the sale of this oil to Japan was to prevent war breaking out in the southern Pacific. But such a war has practically started, with French Indo-China as the first victim and Thailand most likely next.

President Roosevelt now knows that covetous aggressors cannot be appeased, even though one may pacify them for a time.

D. LECHEON

Chengchow, Honan,
August 10, 1941

STOCK MARKET

To the Editor:

I notice in every issue of **The Review** a short column about "American Stock and Commodity Quotations." This leads me to thinks of the local stock market. According to the report recently obtained from one of the prominent members of Shanghai Stock Exchange, the volume of business done every week in the above Exchange is about $50,000,000.

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

J. B. POWELL, *Editor and Publisher*

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HOH CHIH-HSIANG, *Assistant Editors.*

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PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA. YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, FORTY-FIVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN, ADD $3.00 TO COVER EXTRA POSTAGE TO HONGKONG, SOUTH SEAS FIFTEEN DOLLARS STRAITS CURRENCY. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917. BY AIR-MAIL.. TO CHUNGKING AND ELSEWHERE IN WEST, NORTHWEST AND SOUTHWEST CHINA THE RATE, INCLUDING POSTAGE, IS $138.00 A YEAR OR $70.00 FOR A HALF-YEAR.

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This figure undoubtedly affects the local economic situation a great deal.

In view of the many speculators as well as investors who follow others blindly to risk their fortunes, I venture to propose that you will make a weekly review and comment about the local stock market in every issue of the paper. I bet you are interested in local economic problems, such as the article "Freezing Muddle Causing Trade Troubles" which appeared in your August 16 issue. The question is that you can afford to spare a space of few square inches in your valuable paper.

ZEE VEE-CHWANG

Shanghai, Aug. 19, 1941

Editor's Note:— We confess to a complete lack of desire to assist stock market gamblers with tips, if that is what our correspondent is suggesting. In the gambling business one man's tip is usually as valuable—or valueless—as another's.

JAPAN AND RUSSIA

To the Editor:

Although a neutrality pact between Japan and the U.S.S.R was entered into in Moscow on April 13 of this year, the Russians are prepared to consolidate and extend economic concessions which Japan already enjoys in the form of fisheries and Sakhalin oil fields.

Yet a truly friendly relationship between the two countries is impossible because of other causes, the most prominent of which is Japan's anti-Communism and Russia's pro-Communism. It is known to everyone, especially those living in Japan-occupied territory, that Japan and the Chinese puppets at Nanking daily print anti-Communist propaganda in their newspapers. This propaganda is also plastered on walls. From this it is not difficult to conclude that there will be a Russo-Japanese conflict in the near future.

H. C. CHU

Nanchiao, Pootung,
August 10, 1941

THE GAMING HOUSES

To the Editor:

I remember that Mr. Pan Dah, Commissioner of the new Western Special Joint Police Force, having authoritatively closed the gambling dens in the Shanghai "Badlands", was unanimously honored by many Shanghailanders of various nationalities. We thought that Mr. Pan was hopeful in re-establishing the good order which the "badlands" was lacking, and which the good residents there were eagerly awaiting.

To our great surprise the notorious gambling houses have renewed. They have been opened for about three weeks. Truly, it is a pity. The other day I witnessed that two constables of the W.S.P., with uniforms and guns. were gambling among some Chinese of low rank in a den entitled "Peace Club." How laughable, and also regretful, it was!

But I still have confidence in Mr. Pan.

Y. K. CHANG

Shanghai, Aug. 25, 1941

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August 28, 1941

STOCKS

Amer. Locomotive	14⅜
Amer. Waterworks	4½
Anaconda Copper	29
Bethlehem Steel	70
Chrysler	57⅞
Elec. Bond & Sh.	2⅛
Gen. Motors	39¼
Goodyear T. & R.	19
Gt. Nthrn. Rly., pfd.	26¼
Lockheed Aircraft	28¼
Mont. Ward	34
N. Y. Central	12⅞
Texas Corp	42⅝
U. S. Steel	58

COMMODITIES

New York Cotton, Oct.	16.86/86
New York Rubber, Sept.	No quotation
New York Hides, Dec.	14.55/55
Chicago Wheat, Sept.	113⅞/114
Chicago Corn, Sept	76⅞A
New York Sugar, No. 4, Sept.	1.89½ Nom.

A—Asked.

NATIONAL CITY BANK OF NEW YORK EXCHANGE RATES

Shanghai Rate of Exchange, during August 22—28, 1941

	Fri.	Sat.	Mon.	Tue.	Wed.	Thur.
Demand Selling rate on N.Y. ... ... U.S.$1.	=Sh.$21.62	=Sh.$21.92	=Sh.$21.05	=Sh.$21.05	= no rate	=Sh.$21.05
Demand Buying rate on N.Y. ... ... U.S.$1.	=Sh.$20.76	=Sh.$21.05	=Sh.$20.00	=Sh.$20.25	= no rate	=Sh.$20.25
Demand Selling rate on London ... £1-0-0	= no rate	= no rate	= no rate	= no rate	= no rate	= no rate
Demand Buying rate on London ... £1-0-0	= no rate	= no rate	= no rate	= no rate	= no rate	= no rate

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Selling rate during August 22—28, 1941

Shanghai $100. equals Guilders	9⅞	9⅞	9⅞	9⅞	no rate	9⅞
Shanghai $100. equals Rupees	17½	17½	17½	17½	no rate	17½
Shanghai $100. equals Pesos	10⅝	10⅝	10⅝	10⅝	no rate	10⅝
Shanghai $100. equals Hongkong $	21	21	21	21	no rate	21

THE CHINA WEEKLY REVIEW
密勒氏評論報
中華郵政特准掛號認爲新聞紙類
Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China

Vol. 97 Shanghai, Saturday, August 30, 1941 No. 13

WILL JAPAN RETREAT?

WITH a gloomy fatalism born of lengthy sojourn in an atmosphere of war and crisis, most observers in the Far East long since concluded that there is no hope for peace and stability in this part of the world. They believe that, with almost mechanical inevitability, crisis must succeed crisis and that a war explosion among the Pacific powers must come.

This pessimistic view of the future is grounded in the belief that it has become virtually impossible for Japan to halt her expansionist plans, and that since the United States and Britain have determined that Japan shall not go further, a war is inevitable.

Such a categorical view is not altogether justified, for it fails to take account of the fact that Japanese policy is very largely determined, and will be determined, by the course of events in Europe. Japan is not a first-rate power and her military potential has been considerably reduced by four years of fruitless campaigning in China. These facts deprive Japanese policy of that degree of independence which the Tokyo politicians can only wish it did possess. To a great extent they must seek to exploit advantages not of their own making. It should be remembered in this connection that the Japanese moved into French Indo-China only after France had been laid prostrate by the Nazi war machine.

The further unfoldment of Japanese policy depends now, very largely, on the course of the Nazi-Soviet war. If Hitler should score a resounding victory over Soviet Russia, this would instantly increase the problems of Britain and the United States, for then Hitler would be more or less free to resume the attack on the British Isles and British territories in the Near East and in Africa. Japan would be freer to act. If, on the other hand, the Nazi war machine should suffer serious reverses, or become hopelessly bogged down in European Russia (as Japan has in China) then Britain and the United States would be relatively freer to cope with Japanese pretensions in this part of the world and Japan, unless seized by a fit of military insanity, would have to put her expansionist plans in cold storage, at least for a time.

That Japan is caught in a dilemma and is obliged at the moment to follow a wait-and-see policy, is shown by her recent cautious attitude toward Thailand and moves by Tokyo to halt the worsening of Japan's relations with the United States. In Washington on Aug. 23 Admiral Kichisaburo Nomura, the Japanese Ambassador, held a lengthy conversation with Mr. Cordell Hull, U.S. Secretary of State. When it was over, he told newsmen, according to *United Press*, that "he believed United States-Japanese differences can be bridged," adding that "it would be folly of the worst kind not to do so." He said that he had a "strong conviction" that U.S.-Japanese differences would be overcome, though he didn't know just how.

There have been numerous indications that the United States and Britain would be receptive to Japanese overtures for a settlement of their differences, provided Japan evidenced willingness to abandon her aggressive policy of territorial aggrandizement. One of these indications was President Roosevelt's recent admission that the United States had been "appeasing" Japan by selling her petroleum in order to avoid a conflict in the southern Pacific which would embarrass the Anglo-American front against Nazi Germany. This policy was thrown overboard when Hitler got himself entangled in Russia, and when Japan moved into French Indo-China the full weight of Anglo-American economic sanctions was thrown against the Island Empire.

Will there be another reversal? It all depends on what Japan does. Mr. Carson Taylor, publisher of the *Manila Bulletin*, told the press in Los Angeles on Aug. 21 that Japan may "suddenly withdraw from the Axis and align herself with the Anglo-American bloc. The Japanese are well-known for their ability to blow hot and cold and thus they now face a situation in which they do not know which way to turn. The Japanese people, I think, would welcome a change from the

CHURCHILL PLEDGES HELP TO U.S. IF WAR COMES WITH JAPAN

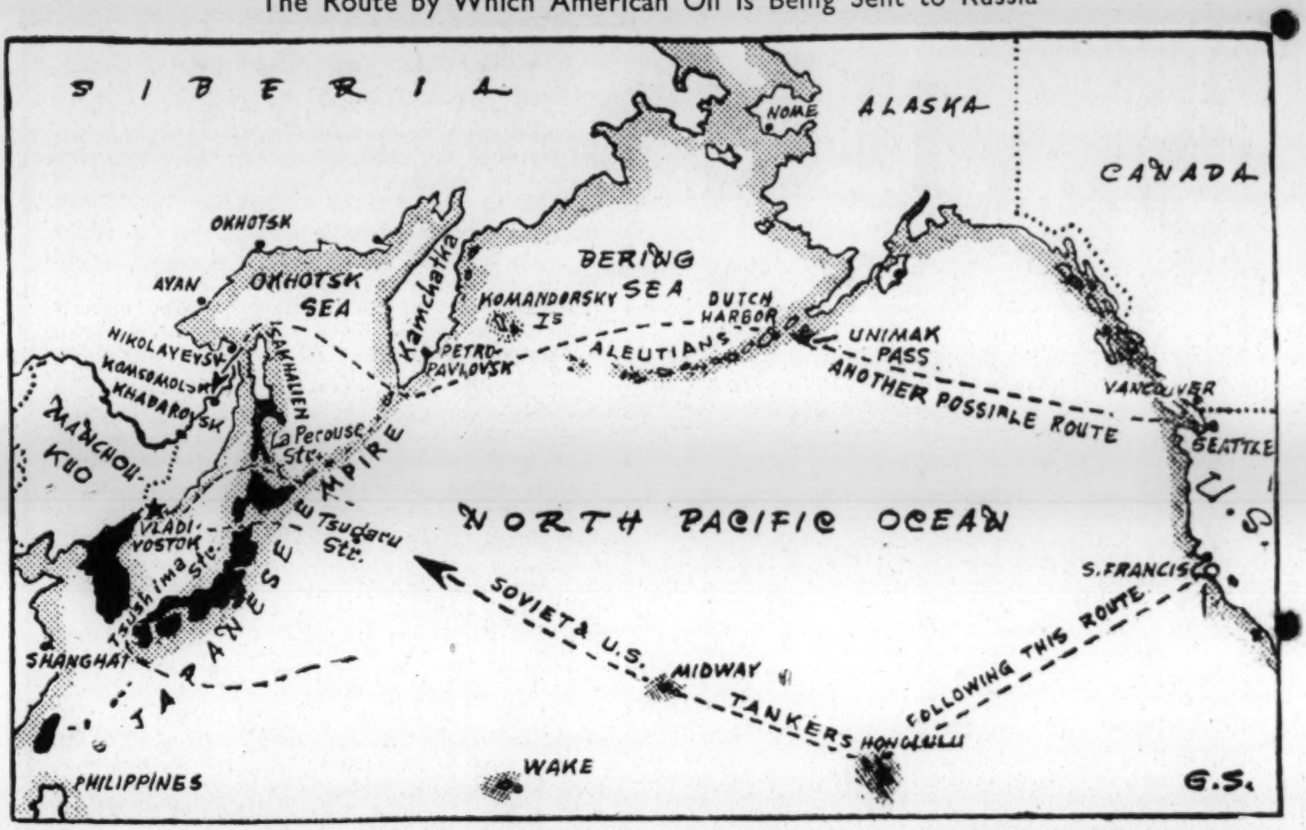
A firm pledge to come to the aid of the United States in the event of an American-Japanese war in the Far East was made on behalf of Great Britain by Prime Minister Winston Churchill in the course of a radio address on the night of Aug. 24, when the British Premier reviewed his recent conferences with President Roosevelt "somewhere on the Atlantic." His remarks with reference to the Far East were reported by Reuter as follows:

"But Europe is not the only continent to be tormented and devastated by aggression. For five long years the Japanese military faction, seeking to emulate the style of Hitler and Mussolini, taking all their posturing as if it were a new European revelation, have been invading and harrying the 500,000,000 inhabitants of China.

"Japanese armies have been wandering about that vast land in a futile excursion, carrying with them carnage, ruin and corruption and calling it 'the Chinese Incident.' Now they stretch a grasping hand into the southern seas of China: they snatch Indo-China from the wretched Vichy French: they menace by their movements Siam, menace Singapore, the British link with Australia, and menace the Philippine Islands under the protection of the United States.

"It is certain this has got to stop. Every effort will be made to secure a peaceful settlement. The United States are laboring with infinite patience to arrive at a fair and amicable settlement which will give Japan the utmost reassurance for her legitimate interests We earnestly hope these negotiations will succeed. But this I must say, if these hopes should fail we shall, of course, range ourselves unhesitatingly at the side of the United States."

The Route by Which American Oil is Being Sent to Russia



North-China Daily News map

American and Soviet tankers were plowing their way across the Pacific this week and nearing the shores of Asia to deliver cargoes of aviation gasoline to the Soviets for use in the war against Nazi Germany. Japan has expressed "concern" over these shipments and there is speculation as to whether she will attempt to obstruct delivery. The route believed to be taken by the tankers is the more southerly course indicated on the map. An alternative route to the north is also shown. In the former case, the vessels will presumably pass through Tsugaru Straits, which separates the main Japanese island of Honshu from the more northerly Japanese island of Hokkaido, to unload at Vladivostok. By the alternative route, ships would pass through the Straits of La Perouse, which separate Hokkaido from Sakhalin, presumably to unload at Komsomolsk, Soviet port on the Amur River. By the Treaty of Portsmouth, which ended the Russo-Japanese War of 1904-5, Japan undertook to respect freedom of navigation through both La Perouse and Tsugaru Straits.

German ties and form an alliance with the United States."

This, of course, is one man's opinion. It was given added point on Aug. 22 by Mr. Alfred Duff-Cooper, former British Minister of Information, who is now en route to Singapore from the United States to represent the British War Cabinet in the Far East. In an interview on Aug. 22 with the New York correspondent of the Tokyo *Nichi-Nichi*, reported by *Domei*, Mr. Duff-Cooper allegedly opined that "there were no outstanding questions between Britain and Japan which cannot be settled peacefully." The British official thus expressed the sentiment which Admiral Nomura voiced the following day with regard to U.S.-Japanese relations.

Against all this must be set off a *Havas* report from Tokyo on Aug. 20, quoting well-informed sources to the effect that negotiations between Tokyo and Washington for the establishment of a *modus vivendi* which would have relaxed present tension in Japanese-American relations "have ended in failure." Said *Havas* further: "After about fifteen difficult parleys in the course of which the two parties stood pat on their positions, the Government of the United States informed the Japanese Government through Mr. Joseph Grew, U.S. Ambassador to Japan, that it saw no possibility of results being achieved as long as Japan fails to bring to its political attitude the modifications desired by the United States."

The near-conciliatory remarks of Admiral Nomura were largely off-set by the notorious Tokyo newspaper *Hochi*, which is generally believed to be under Nazi influence. On Aug. 24 it featured an article by Mr. Yoshitaro Shimizu, well-known political commentator, which might be interpreted as an attack on the Premier, Prince Fumimaro Konoye, for his wavering policy. The article charged that the Premier was "too much swayed by conflicting influences at present when Japan needs a firm, unchanging policy." It went on to allege that the Imperial Rule Assistance Association had failed to unify public opinion and was now seeking public support by confessing its own weaknesses, while other public enterprises sponsored by the Premier likewise are failures because the Premier "listens to everybody and does nothing."

It is not difficult to discern here the voice of the Japanese military extremists and their Nazi prompters. They want action and the consequences be damned. But Prince Konoye is a more cautious individual, better aware of the great perils which will confront Japan if she embarks on new military adventures. The militarists, of course, dominate the Japanese Cabinet, but the fact that they feel obliged, using a rather circuitous route, to pass strictures on the Premier, shows clearly that there is a conflict over policy between the military and civil elements of the government.

If the militarists get their way, they will force their country into a new war. They are not getting their

way yet—that is, not entirely. Unless and until they do, there will remain a possibility, however slight, that Japan will back down, reverse her policy, and thus contribute to a peaceful solution of Far Eastern problems.

WILL JAPAN HALT AMERICAN OIL SUPPLIES TO THE SOVIETS?

BY the time this issue of *The Review* makes its appearance, the first American oil tanker conveying supplies of American aviation gasoline to the Soviet Union will be nearing the shores of Asia. The route supposedly being followed, as shown on the accompanying map, will oblige the vessel to pass through Tsugaru Straits, separating the Japanese islands of Honshu and Hokkaido, in order to reach Vladivostok, which is believed to be her destination.

Will Japan attempt to halt the vessel and prevent delivery of the cargo? The Japanese press has been conducting a campaign of violent criticism against any and all shipments of American war materials to Soviet Russia via the Pacific. The most outspoken of these tirades came from the *Chugai Shogyo*, Tokyo commercial daily, on Aug. 23. American oil shipments to Vladivostok, the paper declared, would "directly menace Japan's security" and could not be tolerated in silence.

As a sort of anti-climax to this strong statement was the additional one that "supplying military fuel to another power directly under Japan's nose, at a time when the United States is applying stringent economic pressure to Japan, is irritating to the Japanese people."

It is understandable that the Japanese newspaper should feel "irritation" at the thought that American aviation gasoline is going to the Soviets when Japan is denied such supplies, but the question is how far the views of the newspaper, with their implied threat, reflects the official Japanese viewpoint. Mr. Koh Ishii, Deputy Spokesman of the Cabinet Information Board in Tokyo, told his press conference on Aug. 22 that the strong editorials denouncing American shipments of war supplies to the Soviets "represented the voice of the Japanese people, but not necessarily the attitude of the Japanese Government," *Domei* reported. This is a quite characteristic example of diplomatic evasion and downright falsehood. The falsehood consists in identifying Japanese press diatribes with the voice of the Japanese people. The Japanese people have no voice, and the Japanese press, subjected to most rigid government control, is employed to bluster and threaten and to proclaim views and policies which the ruling clique do not dare to voice officially.

Mr. Ishii is aware that Japan, by the terms of the Portsmouth Treaty which ended the Russo-Japanese War of 1904-5, has an obligation to permit the free passage of vessels through the Tsugaru and La Perouse Straits. And by the terms of the neutrality pact which she signed with Soviet Russia last April, she is obligated not to interfere with the delivery of any war supplies which Soviet Russia may procure abroad.

The first tankers to leave American ports with oil supplies for the Soviet are believed to be traversing a southerly course which will take them through Tsugaru Straits to Vladivostok. If Japan halts them, she will be violating the terms of both the Portsmouth Treaty and the Soviet-Japanese neutrality pact. But, says Mr. Ishii, Japanese action in dealing with American war materials shipped to Vladivostok "cannot be regulated strictly by international law—the matter of sentiment must be taken into account" (*Domei*). This recourse to "sentiment" when law proves awkward is of a piece with all Japanese policy.

It is not only oil but also deliveries of American bombers to the Soviets that are worrying Japan. At the same press conference, according to a *United Press* dispatch, Mr. Ishii said Japan desires American guarantees that American bombers will not be based in eastern Siberia.

Within a few days the world will know Japan's intentions. If the first tanker is halted, a showdown will be inevitable. It is by no means certain, however, that the first tanker or its successors is following the southern route indicated on the map, for there has been no official intimation of the course actually taken. The more northerly route may be followed. This route, as the map shows, follows a great circle westward from Seattle, through the Unimak Pass into the Bering Sea, north of the Aleutian Islands. It skirts the southern tip of the Kamchatka Peninsula, runs into the Sea of Okhotsk, thence into the Amur River estuary to Komsomolsk, terminal point of the second track of the Trans-Siberian Railway.

By using this route, which is believed to be shorter than the one to Vladivostok, ships would be able to give Japan and Japanese territorial waters a wide berth and Japan would have even less justification for interfering with them than in the case of ships using the route to Vladivostok.

In attempting to buttress their opposition to the shipment of American war supplies to the Soviets across the Pacific, the Japanese newspapers have expressed the fear that these may at some time be employed against Japan. That, of course, is a possibility—but only if Japan invites Soviet hostilities by violating her neutrality pact with Soviet Russia. Either an attempt to halt American shipments of war supplies to the Soviets, or an overt move against Soviet Far Eastern possessions would constitute such a violation. It is certain that the last thing Soviet Russia desires is embroilment with Japan at this time. The issue of peace or war rests solely in the hands of the policy-makers in Tokyo.

MOSCOW WARNS JAPAN NOT TO INTERFERE WITH SHIPMENTS

A warning to Japan not to attempt any interference with shipments of American supplies to Soviet Russia via Vladivostok has been delivered to the Japanese Government by the Soviet Ambassador in Tokyo, the Soviet news agency, Tass, announced on Aug. 27. The warning stated that the Soviet Government sees no reason for Japanese anxiety regarding such shipments any more than the Soviet Government feels anxious because of the fact that Japan imports goods she needs from other countries, and stated that any attempt by Japan to create obstacles to delivery would be regarded as an "unfriendly act." At the same time, the Soviet Government affirmed that goods purchased by Soviet Russia in the United States "are intended first of all for the increased needs of the U.S.S.R. in the west in connection with the defensive war imposed on the U.S.S.R. as well as for current economic needs in the Soviet Far East."

The Soviet warning followed Japanese representations to Moscow to the effect that shipment of American materials to Soviet Russia through the port of Vladivostok, such as oil and benzine, "creates a very delicate and embarrassing situation for Japan as these goods must pass near Japanese territory."

THE PROBLEM OF STABILIZING THE CHINESE NATIONAL DOLLAR

BY JOHN AHLERS

IT was nine months ago that the American and British Governments promised the Chinese National Government special loans to help stabilize China's national currency. The loans were actually granted almost four months ago. Their proceeds, together with exchange funds set aside by the Chinese Government banks for the same purpose, aggregate almost U.S.$100,000,000. Decision on the use of these funds is in the hands of the Chungking Chinese Currency Stabilization Board which has held two sessions and now is busily at work. Establishment of a special Operating Committee to handle the funds in question according to the decisions of the Stabilization Board was decreed at Chungking last week.

Early that same week, Shanghai business was informed that certain amounts of foreign exchange—at rates more than 10 per cent cheaper than at that time prevailing in the open market—would be released by the Board to be spent in payment of legitimate and approved Shanghai imports. Certainly some time will pass before such exchange will be coming forth to Shanghai with regularity and without too many bureaucratic complications, but just as certainly that time will come in a no longer distant future.

The Stabilization Fund apparatus finally functions. Immediate interest in business circles, of course, centers around the volume and conditions of the Fund's exchange releases. Yet a much more important problem, from a wider angle of view, becomes ripe for serious discussion. This problem is: Should China's national currency now be stabilized? Any attempt at a serious answer will have to reply to the following additional questions, too: Can it be done? Would it be an asset to China's war of resistance against Japan? Would currency stabilization at the present time help or complicate the solution of other problems?

No misunderstanding is possible as to what stabilization of China's currency would really mean. It could not mean anything else but fixation of a definite, lasting value in terms of foreign exchange or gold for the unit value of the domestic currency. Genuine stabilization would imply that this value, once fixed, would be defended at all costs. A great many people seem to labor under the delusion that the granting to China of the Anglo-Saxon stabilization loans, and the creation of the Chinese Currency Stabilization Board, were calculated to lead to true near-future stabilization of China's currency. If this were so, all the Board would have to do would be to determine an appropriate rate of exchange for Chinese dollars, and to continuously provide foreign currencies at such a rate.

The writer of this article has not been taken into the confidence of the Board. But he is convinced that neither Mr. Henry Morgenthau Jr. nor the British and Chinese actually thought of stabilizing Chinese national currency now. What all the circles concerned really aim at is support of China's war of resistance in this field, too; to help defend China monetarily; to prevent a breakdown of Chinese currency; and to maintain opportunities for currency consolidation and stabilization after the war will be over. These intentions would have been indicated more clearly by baptizing the Chungking Stabilization Fund a Chinese Currency Support Fund.

Currency stabilization, of course, does not automatically imply free convertability into foreign exchange. The policy of maintaining free convertability of the Chinese dollar has been defeated during the past four years. It has proved far too expensive to the Chinese National Government. Especially today, it would be financial folly to try to maintain free convertability for Chinese dollars while most other countries have abandoned free convertability altogether, and while the U.S. dollar and the British pound by the recent freezing of Sino-Japanese assets have lost free convertability in respect of all parts of this country.

A series of financially well-founded countries do not do so badly without free convertability of their currencies. Just think of the British pound and the Netherlands Java guilder. These are sound currencies although they no longer are freely convertible into other currencies. Exchange control of these two currencies is being managed reasonably and effectively, and for all practical purposes their exchange value is stable. But China is not in the position of either the British Empire or the Netherlands Indies, both of whom have not lost a square-inch of their respective territories. One-third of China has been deeply penetrated by her deadliest enemy's fighting forces, and behind the Japanese front lines are China's formerly best developed provinces, and the country's economic and financial stronghold Shanghai. Though the central sections of Shanghai are not Japanese-occupied, Chinese governmental currency and exchange control cannot be enforced in the city. Outside Free China there circulates at least one-third of the whole note issue of the Chinese Government banks. This situation confronts Chinese currency policy with extraordinary difficulties.

China could easily stabilize her curency, and successfully defend its foreign exchange value under exchange control, if she were not at war and if she controlled the whole of her territory. In that case, the Stabilization Fund's almost U.S.$100,000,000 would provide an about 20 per cent coverage in foreign exchange for the Government banks' outstanding note circulation. This would be ample. China would be in a position to regulate volume and value of all her imports and exports.

"Oh Adolf! Adolf!"

The Times, Chicago

Remittances, from overseas Chinese would cover import surplus plus financial commitments abroad even if the influx of foreign private capital did not revive at an early date. But as things are, Chungking is in no such position. With the Shanghai Customs under puppet control, Chungking cannot regulate the important trade of Shanghai, which accounts for at least half of China's total foreign trade. Chungking has no influence whatever upon movements of goods, money and capital between the various Yen Bloc areas and other Japanese-occupied Chinese territory as well as Shanghai.

Whatever Chungking will do in this situation, there is bound to be an unfortunate leakage via Shanghai and the Japanese-occupied areas as long as Chungking does anything for these parts of the country. Unlimited and indiscriminate sales at Shanghai and Tientsin of foreign exchange out of the Stabilization Fund would threaten, as in the past, to play exchange funds directly or indirectly into the enemy's hands, and to exhaust within a comparatively short period the whole Fund. Limited and discriminate releases of foreign exchange are being experimented with right now, but there is no knowing yet how the experiment will turn out, and what will be its cost to the Fund. It may be discontinued if costs prove too high, or should there continue to be excessive leakage, or should the Japanese and their puppets take measures to make it impossible for the Fund to see its aims materialize at Shanghai.

Such certainly is not the appropriate moment to fix any definite rates of exchange for the Chinese dollar. Such fixation would merely burden the Stabilization Fund with a definite responsibility, without any corresponding advantages. It would establish a new Free China obligation unbalanced by any new tangible Free China assets. It would seem preferable to vary exchange rates from time to time according to necessity, than to pretend now to fix definite rates which not very long afterwards may have to be abandoned. Great Britain's experience tends to show that in critical years a powerful stabilization fund does better not to reveal its current policy and financial status so as not to let everyone know or guess beforehand what is going to happen. The Chungking Fund will also do better to operate with discretion. A Stabilization Fund with hands free, and able to move in both directions, both selling and buying exchange, will threaten all the time to inflict the severest penalties upon speculators and saboteurs.

There are more reasons why the exchange value of Chinese national currency should not be definitely stabilized at the present time. The Stabilization Fund's means are a definite quantity, but not so is the Chinese Government banks' note issue. The latter is expanding all the time for the simple reason that China's war budget is necessarily deficitary. The bulk of that deficit has to be covered by the issue of loans chiefly subscribed by the Government banks which have to increase their note issue correspondingly. While additional stabilization loans from the Anglo-Saxon powers may be forthcoming in the future, there is no such certainty, and anyhow the increase in the note issue may far out-distance the amount of future stabilization loans. The exchange value of China's national currency cannot be settled finally without consolidation of China's state indebtedness. The latter is on a continuous increase which continuously boosts note issue, prices, and government expenditure. China, like most countries engaged in desperate war, is caught financially in a vicious circle, the way out of which cannot be discerned before the country gets back on firm ground, which will not be before the end of the war.

Mr. A. Manuel Fox, American member of the Stabilization Board, in his remarkable talk to China's Third National Financial Conference, held at Chungking two months ago, did perfectly well to emphasize the important point that a currency's external value cannot be definitely established except in close inter-relation with that currency's internal purchasing power. The China dollar's domestic purchasing power for a long time past has constantly decreased in line with the shrinking of commodity supplies and the increase in the note issue in Free China. This problem has to be dealt with before that of definite currency stabilization can be approached. And so have the problems of rationalizing Chinese state expenditure, increasing state revenue, and readjusting the whole of Free China's finance and economy. The currency's stabilization is but one of many problems demanding joint solution in Free China. None of these problems can be solved satisfactorily in splendid isolation. Attempts at solving only one of these problems may merely result in prejudicing the solution of others, especially if the field of the currency were the first to be tackled.

For Shanghai regular business and the masses of the Shanghai people a stable Chinese currency undoubtedly would be most desriable. Yet nobody may expect the Chinese National Government and the Anglo-Saxon countries to devise their China currency policy exclusively or primarily according to the needs of Shanghai. China has been granted the U.S.-British stabilization loans, and the Chinese Currency Stabilization Board has been established to assist, in the first place, Free China in fighting and winning the war against Japan. The defense of Free China and winning this war must be the major considerations, and all other angles of view must be regarded as secondary.

WE REPEAT: AMERICA MUST HAVE A POSTAL AGENCY HERE

ON Monday of this week items of mail from the United States began dribbling into local offices. To the office of *The Review* came a few stray newspapers, wrappers slit open and tied up with string—evidence that they had been given a "going over" by the local Japanese postal censors. No U.S. letter mail arrived.

The items which were delivered formed part of two large consignments which had reached Shanghai more than a week previously on ships operated by the American President Lines. The President Harrison was understood to have brought 345 sacks and the Ruth Alexander 412 sacks.

News of the detention of the two consignments appeared for the first time in *The China Press* last Sunday and it became known that negotiations for its release had been going on between the American Consulate-General and "responsible Japanese quarters." The following day (Monday) the *Shanghai Evening Post* reported that A. M. Chapelain, the postal director, had sent a note of explanation to Mr. Frank P. Lockhart, the American Consul-General, explaining the matter. He told a *Post* reporter that "detention of the mail is ended" and that "deliveries have been carried out." Note well the assertion that "detention of the mail is ended."

Another report on the subject appeared in the *North-China Daily News* on Tuesday. The first paragraph said: "Reports circulated in Shanghai to the effect that American mail which arrived in Shanghai on August 14 and Aug. 16 aboard two ships had been held up by censors were completely denied yesterday by authorities of the Post Office. They revealed that although several hundred bags of American mail arrived at those dates, only seven bags of letter mail were for local delivery

and they were duly sent to recipients in Shanghai with the least possible delay."

This statement, if it was made to the paper in question, is a palpable falsehood. If no American mail was detained, how did it come about that items of American mail were delivered to this office on Monday of this week, bearing obvious signs of the censors' activity? No ship bringing American mail has arrived at this port since the Ruth Alexander, which came in on Aug. 16. The mail delivered on Monday clearly arrived either on that ship or on the President Harrison, which made port two days earlier.

The mails *were* detained for a full week and more and the confusion of reports on the subject suggests that some lying has been employed to cover up the guilty parties—which are the Japanese gendarmes and censors at the Central Post Office in Hongkew.

From private sources, we learn that the detention was first brought to the notice of the American authorities by a local businessman who had been expecting some shipping documents. When they failed to arrive, he inquired at the Central Post Office and was told confidentially that the consignments of both the President Harrison and the Ruth Alexander were being held up by the Japanese censors. He reported this to the American Consulate-General. Inquiries were made and the fact of the detention was confirmed. The Japanese authorities explained that a minor official was responsible for the detention, that it was all a mistake, and promised to have the mail delivered.

Officials of the American President Lines knew that large consignments of mail came in on the two ships. And when the mail was not delivered it was surely their duty to notify the American authorities. It may be contended that the company's responsibility for mail ends when delivery is taken by the Central Post Office. But in these days of unusual happenings it would seem that the company should, when occasion demands, go beyond its normal responsibility.

Another feature of this miserable affair is the hush-hush attitude taken by the local American authorities, who sought to treat it as a local issue for local settlement. The seizure and detention of American mails consigned to Shanghai obviously is *not* a local issue, but one of international import. Protests of a vigorous character were called for, and the protests should have been given publicity in the press. An amicable settlement arrived at in hole-and-corner fashion is just what the Japanese want. By handling the matter in this way, the American authorities are simply inviting further Japanese interference with the mails. The only language the Japanese understand is that of stern protest and threat of retaliation. Does this still have to be proved?

The detention of the two consignments of mail serves to emphasize in most pointed fashion the contention which we put forward in our issue of Aug. 16, namely, that the Chinese Post Office at Shanghai, under Japanese control, has become a thoroughly inefficient and unreliable institution and cannot be trusted to discharge its functions in the manner expected of it.

We reiterate the suggestion we made then—that the American Chamber of Commerce take the lead in persuading Washington to reestablish the American Postal Agency in Shanghai by agreement with the Chinese National Government at Chungking. The agency would then handle all incoming and outgoing American mail. In no other way is it possible to end the illegal and unwarranted interference with the mails by Japanese censors.

WHAT ABOUT THE NEXT SHIPMENT OF 1,700 BAGS?

The next President ship, scheduled to dock here on Saturday, Aug. 30, or Sunday, Aug. 31, has 1,700 bags of American and international mail for this city. Obviously, in view of what has happened, that mail should not be handed over to the pseudo-Chinese Post Office for some 3 Japanese censors and gendarmes to inspect and hold if they decide to do so. The President ships carrying this mail should be met by U. S. Marine trucks and the mail conveyed to a place of safety, where it cannot be pillaged by the Japanese, acting under the subterfuge of a "freezing" order, or pure cussedness. Surely, in view of what has happened, our officials and the elected leaders of the Community will not permit such an egregious blunder!

Lurton Named Special Judge To Try Titlebaum Case

Sam Titlebaum, former Deputy Marshal, connected with the U.S. Court for China, who has been confined in Ward Road jail for three weeks on a charge of disposing of revolvers and a stock of ammunition belonging to the Court, will be tried before a special judge in the person of Nelson E. Lurton, Commissioner of the U.S. Court, who has been authorized by the Department of Justice to hear the case.

The appointment of a special judge was made necessary due to the absence on leave of Judge Milton J. Helmick, who is now in the United States. The order designating Mr. Lurton to hear the case was received by cable in Shanghai on Monday of this week and contained the signature of Mathew F. McGuire, assistant to the Attorney-General, who received authorization from President Franklin D. Roosevelt. Mr. Lurton stated that counsel for Titlebaum's defense would be appointed by the Court in the event he had not made arrangements for an attorney when the case comes to trial. The prosecution will be in the hands of the U.S. District Attorney, Leighton Shields, who collected the information leading to Titlebaum's arrest, in cooperation with the Municipal Police. According to a review of the case which appeared in the *Shanghai Evening Post* on Monday of this week, only one pistol was involved; however, from other sources it was alleged that eight pistols had been disposed of, together with some 1,300 rounds of ammunition.

Owing to Titlebaum's continued detention in Ward Road jail, no statement from him has been forthcoming, as to the method whereby the guns got into unauthorized hands. It was alleged in the original report that he had not reported them as missing from the stock of guns in the possession of the Court, for which he was responsible. Titlebaum was arrested on August 9 by Mrs. Ella Jenkins, private secretary to Leighton Shields, who was sworn in for the purpose.

Nelson E. Lurton, Court Commissioner, is a native of St. Louis, Missouri. He came to China many years ago as a member of an American delegation to a China Tariff Revision Conference, following which he remained here to take up the practice of law. Mr. Lurton recently was reappointed Court Commissioner for a third term by Judge Helmick. His first term was from 1918 to 1927 when he resigned to resume the private practice of law. However, he was again appointed for a 4-year term in 1937, which expired on August 19. His reappointment was telegraphed from Washington on the following day.

It was announced on August 22 that Lionel Paul Stagg, 23 years old, had been appointed temporary Deputy Marshal in place of Sam Titlebaum, who was dismissed from office shortly following his arrest and incarceration in Ward Road jail. Mr. Stagg, who previously had been engaged in newspaper work, was serving as temporary Court Clerk and assistant to W. J. Collins. Mr. Stagg is a nephew of the late Alonzo Stagg, once a famous football coach.

Nanking Dissolves 2 Ministries; Shake-Up at 76 Jessfield Due

Two ministries of the Nanking puppet government—the Ministry of Social Welfare headed by Ting Mou-sheng, and the Ministry of Police headed by Li Sze-chuen—were being dissolved this week and there was speculation in Shanghai as to the motives behind the dissolution in view of the fact that both ministries have played an important role in extending the influence of the Nanking regime in the Shanghai area.

Unconfirmed reports stated that the local puppet headquarters at 76 Jessfield Road in the "Badlands" and headquarters for all types of crime, vice and racketeering, are likely to undergo a thorough reorganization, with new officers occupying the leading posts.

Terrorist Killings Cause Japanese To Restrict Movements in Hongkew

Three Japanese nationals fell victim to Chinese terrorist activity in Shanghai during the past week. Two were killed outright by Chinese gunmen and a third was badly wounded. The shootings all occurred in Hongkew and have resulted in stringent Japanese military control over the area. Chinese are now barred from entering or leaving Hongkew between the hours of 7 p.m. and 5 a.m.

JAPANESE NAB ALLEGED CHUNGKING TERRORISTS

Four Chinese, alleged to be important Chungking terrorist agents in Shanghai, were taken into custody at House 2, Hwa Kee Avenue, off Bubbling Well Road, on the night of Aug. 26 by a party of Japanese military gendarmes acting in cooperation with the Shanghai Municipal Police. Several members of the U. S. Fourth Marines, in whose defense sector the house is located, observed the proceedings but took no part in the arrests. The identities of the arrested quartet have not been revealed, but according to report their connections with the Chungking government were established by large quantities of telegrams from Chungking and other documents which the Japanese gendarmes removed from the house. More arrests are said to be in prospect.

A civilian Japanese, Sojiro Iwata, staff member of the Hsing Chang Cotton Spinning Company, was shot and critically wounded in the vicinity of the Japanese Naval Cemetery on Whashing Road on August 23. The victim was attacked by four Chinese gunmen who made good their escape despite the dragnet thrown around the area by members of the Japanese Special Naval Landing Party.

Again on August 24 two more Japanese, Shinkichi Kusakabe and Mokichi Sudo, both civilian employees of the Japanese Army, were ambushed by a group of four Chinese gunmen. Kusakabe was struck in the chest by eight bullets and died instantly. Sudo was hit several times and died on Aug. 26. The four attackers made good their escape despite a widespread manhunt conducted by members of the Japanese Special Naval Landing Party during which time all bridges into Hongkew were closed.

Although emphatically denied by Japanese authorities, both Nanking and Chungking Chinese newspapers reported that a Japanese officer of high rank was shot by a Japanese soldier on Dixwell Road on August 26. The information was said to have been reported by an eye-witness and some credence is given to the report since the strictest precautions ever taken by the Japanese in Hongkew were enforced on the night of the alleged shooting. Armored cars patrolled the streets north of Soochow Creek throughout the night and all exits and entrances from Hongkew into the south-of-the-creek area were closed. Strict searches were carried out in many districts and the usual number of sentries on every bridge was increased.

An attempt to burn the No. 3 godown of the Mitsubishi Trading Company, 40 Dixwell Road, was made by terrorists on August 26. Two bottles of yellow phosphorus, one of which burst into flames in a cargo of rosin, were found by a watchman before they could do much damage.

Terrorists also attacked Wong Kingchu, a member of the Peace Preservation Corps of Nanwei, Pootung. Wong was on patrol duty in a certain section of Nanwei on August 23 when Chinese gunmen fired two bullets into him. Officers of the Peace Preservation Corps and the Japanese Gendarmerie pursued the terrorists but were unable to overtake them.

Owing to the increasing number of attacks on Japanese and Nanking sympathizers within the past few weeks, Japanese authorities in Shanghai are adopting stringent measures to restrict further infiltration of terrorists into Japanese-controlled areas. A new barbed-wire fence has been strung along the outskirts of Hungjao and Siccawei districts, closing many minor roads, while all bridges across Yangtszepoo Creek, except two, have been indefinitely closed. Chinese entering Shanghai at any of these places will be subjected to a rigorous search for concealed weapons.

Victims of Japanese terrorism during the week included two Chinese women wounded when entering Shanghai from Chinese-controlled areas. A Chinese woman carrying a bag of rice was stabbed by a Japanese sentry in the left rib with a bayonet when she attempted to enter from Siccawei. Another woman was picked up by Settlement police near Pontoon 13, having been shot in the left shoulder and leg by Japanese sentries in Pootung. Both persons are reported to be in a critical condition.

Theater terrorism broke out again when smoke bombs exploded in two theaters on August 24. The Astor Theater was bombed during a morning matinee, while the Lyric Theater was bombed at 12.30 p.m. Cause of the bombing is believed to be an attempt to extort "protection" money from the theater operators.

Meanwhile, new measures are being put into force by Chinese puppet authorities in both Shanghai and Peking in an effort to restrict terrorist outbreaks. The Nanking Government has issued a new crime law for Shanghai which will place all cases of robbery and banditry outside the Settlement and French Concession under the jurisdiction of local Chinese military organs. These crimes have formerly been tried by civil courts. It is understood that Mayor Chen Kung-po of the Shanghai Special Municipality has already instructed Commissioner Pan Dah of the Western Area Special Police to hand over armed gangsters and kidnappers to the Peace Preservation Corps.

Participation of the W.A.S.P. in the new arrangement is believed to be in direct violation of the **modus vivendi** agreement between the S.M.C. and the Chinese municipality. It is understood that the February accord which led to the establishment of the Western Area Special Police Force provided that all civil and criminal cases were to be taken before the Nantao court.

In Peking, the police authorities are planning a house-to-house search throughout the city in an effort to apprehend suspicious characters living there without proper residential cards. The search will also enable the authorities to take a census of the population.

Hongkew kidnappers on August 26 abducted Nyi Sung-teh, general manager of the First Trust Bank, 270 Peking Road. They accosted their victim as he emerged from his residence at Passage 666, Tiendong Road, and forced him at pistol point to enter a waiting car. The vehicle then disappeared in the direction of Chapei.

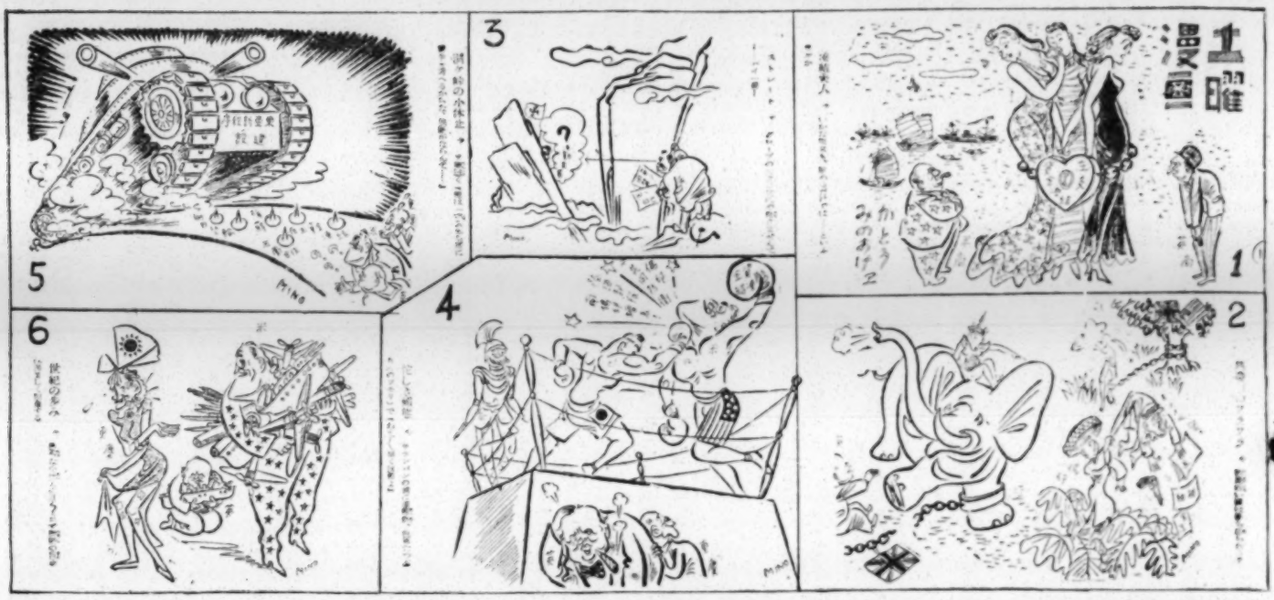
What is thought to be the largest armed robbery ever staged in the French Concession occurred on August 25 when bandits broke into the Chu Shing Silver Hong, 264-266 Rue du Consulat and escaped with loot valued at $300,000. The loot consisted almost entirely of gold bars and gold ornaments.

Pan Honors S. M. C. Policemen

Sam Sharrock, Acting Chief Inspector of the Western Area Special Police, and Chinese Police Constable No. 2857, of the Shanghai Municipal Police, were presented with a silver cup and citation for heroism displayed in apprehending the slayer of the Japanese Deputy Commissioner, C. Akagi, who was killed by a gunman in the vicinity of the Country Hospital. Those in the picture are, (left to right) Acting Chief Inspector Sam Sharrock; Deputy Commissioner J. B. Clissold, also of the Western Area Police; Commissioner C. C. Pan (Pan Dah), head of the Western Area Police, and C.P.C. 2857 of the Municipal Police, who assisted in the capture of the gunman. The Chinese policeman was also given the sum of CN$400. His name is Liu Chuan-yi.

PICTURES AND CARTOONS FROM A WORLD IN CONFLICT

More Pictorial Satire from the Japanese Press



The above cartoons appeared Aug. 2 in the Tairiku Shimpo, local Japanese Army organ. They are intended to depict: 1. American and British merchants in China worrying about their frozen assets, represented by the girls in chains. 2. The Netherlands East Indies chained to the Anglo-American tree. French Indo-China expelling the De Gaullists and anti-Axis propagandists. Thailand, represented by the elephant, snapping the chain with which Britain (Churchill) is trying to tether it 3. Stalin, despite the aid of U.S. and Britain, in fear of some new secret weapon the Nazis may employ against the U.S.S.R. 4. President Roosevelt trying to deliver a blow to Konoye by freezing Japanese assets, but instead receiving a blow from Konoye, represented by the Japanese military pact with French Indo-China (Churchill and Chiang Kai-shek are the astonished onlookers). 5. President Roosevelt trying to halt the tank representing the New Order in East Asia by placing tacks in its path. The tacks are made to represent the freezing of Japanese assets, the oil embargo against Japan, U.S. cooperation with the Netherlands East Indies, and support of Chiang Kai-shek. 6. Chiang Kai-shek depicted as an injured woman trying to get arms from President Roosevelt, while Churchill kneels in the background.

Musso's First Anniversary

Time photo

London Daily Herald depicts Mussolini's pitiable situation on the first anniversary (June 10) of Italy's entrance into the war as a partner of Nazi Germany.

When Matsuoka Was Embracing Russians

Yosuke Matsuoka, former Japanese foreign minister, shown embracing the Soviet Ambassador in Tokyo, M. Smetanin, after Matsuoka had returned from Moscow where he negotiated the Japanese-Soviet neutrality pact. Matsuoka is now in political retirement. He told a reporter in Tokyo this week that he was a sick man and that he would not be fully well for three years. "I thank God that the Cabinet change came at a time when I was beginning to feel I was a sick man," he said.

Honda Returns to Nanking, Warns Puppets Against Foreign Pressure

Amid the recent reshuffle of the various ministries of the Nanking regime has come a warning from Dr. Kumataro Honda, Tokyo's ambassador to Nanking, that recognition of the Nanking regime by additional foreign Powers would bring "dangers" as well as "responsibilities." Dr. Honda complained that world Powers were attempting to apply pressure on Japan.

Ambassador Honda after an absence of three months in Tokyo, returned to Nanking on August 22. In a press interview the same day, he expressed gratification at the progress made by the Nanking regime during his absence. In warning the Nanking regime against "dangers" and "responsibilities" that additional foreign recognition would entail, he cited the "fate of the old governments at Peking and Nanking, which were under constant pressure from foreign Powers through their diplomatic representatives." Since the only powers which have accorded recognition to Nanking are the Axis powers and their satellites, the Japanese envoy's reference to possible "pressure" presumably meant Axis pressure.

Ambassador Honda defined what he considered were Nanking's proper diplomatic duties. "Diplomatic functions," he said, "are limited by treaty and must be carried out within such limits. Any joint action by the Powers represented here must be confined to the bounds of diplomatic courtesy."

The *New China Daily News*, a Nanking-sponsored daily, (not to be confused with the *New China Daily News* in Chungking, official mouthpiece of the Chinese Communist Party), expressed the hope, in an editorial published on August 22, that the Japanese Ambassador would expedite all the matters pertaining to readjustment of national relations between China and Japan. The journal declared that the enforcement of the treaty concerning basic relations between China and Japan is at present the "most urgent task" for strengthening cooperation between the Nanking regime and Japan and for realizing the hope of complete peace at an early date.

After praising Ambassador Honda for "his efforts in solving the problem of strengthening the National Government at Nanking," the journal significantly remarked that "the Japanese Government should take positive action to cooperate with the Nanking Government so that early success may be attained in the task of strengthening the Nanking Government."

"The international situation is growing more and more serious every day, and a war in the Far East is probably inevitable," the *New China Daily News* declared, adding: "In order to avert this danger and to protect Asia, definite measures for co-operation between China and Japan must be carried out as soon as possible."

When Ambassador Honda arrived at Nanking, he was met by a host of puppet officials, including Messrs. T'ang Leang-li, Hsu Liang, Chow Lung-hsiang, Yang Kuei-I, Chao Yu-sung, Peng Nien, Su Cheng-teh, Tsai Pei, Herr Martin Fischer, German Minister to Nanking, and many other Chinese and Japanese high officials, who waited at the airdrome.

Japan Must Feel the Same Way

Glasgow Bulletin

Mussolini: "Am I sick and am I tired!"

F. D. R. Permits Foreign Seamen on U.S. Ships

An executive order authorizing the employment of foreign seamen on American ships was issued on Aug. 24 by President Roosevelt. According to *Havas*, the decree was issued with a special eye to manning former Axis vessels taken over in United States ports. It will now be possible to place British crews on board and give commands to British skippers. But since the ships will fly the American flag, the Neutrality Act, still in force, will prevent them from entering war zones.

Strike Paralyzes Bus Services

Settlement buses ceased to operate on August 25 when Chinese workers of the China General Omnibus Company went on strike for a fourth hike in living allowances this year and equal treatment of Chinese and foreign employees. Talks between company officials and strikers were held the morning of the strike but came to nought, with the buses still not running up to press time. Fearful of violence, Settlement police guarded the bus company depot and patroled the streets in vans.

The strike was declared in some quarters to have been called largely in sympathy with the 3,000 striking Chinese employees of the Cathay Hotels, Ltd., which started last week following the arrest of 18 their leaders. Both the bus company and the Cathay Hotels are owned by the Sassoon interests.

Printers at the *China Press* also went on strike on August 25. Suddenly refusing to do their work, they were removed from the premises and the August 26 edition of the paper was put out in a four-page abbreviated form by members of the editorial department. The following day the paper failed to appear.

One person was killed and five more were injured on August 20 when striking coolies of the Shanghai and Hongkew wharf became violent and Settlement police fired upon the mob.

Coolie Killed by Police

Approximately 300 coolies, seeing that negotiations for the settlement of the strike were not favorable to them, attacked a small party of police officers at the wharf. Although the strikers were armed with crow-bars and stones, not until Sub-Inspector G. L. J. Cady sustained a dislocated shoulder and Detective-Sergeant C. W. Krade was severely bruised did the police party fire on the attackers. One coolie was killed outright with a bullet through the head while three others were wounded.

Following the attack, police reinforcements were rushed to the Shanghai and Hongkew Wharf and a member of the Japanese Naval Landing Party came to assist in preserving the peace. A number of strikers were arrested by the police.

Immediately after the attack, Nanking-controlled papers launched a vigorous anti-Settlement campaign and threatened to close all the wharves in a sympathy strike should the management of the Shanghai and Hongkew Wharf Company refuse to grant a wage increase.

Chinese employees of the Sassoon Hotels continued to strike despite last week's hiring of a skeleton staff of Jewish emigres by the management in an attempt to break the strike. While workers signified their desire to return to work, it is understood that the majority have no intention of doing so as long as their coworkers are held by French police.

Japanese Exploitation of China's Salt Industry

BY S. WILLIAMS

Much has been written about the occupation of the Chinese customs houses and the seizure of the Chinese customs revenues by the Japanese, but very little has been said about the occupation of China's salt fields and the seizure of salt revenues by the Japanese in the past four years.

However, the Japanese plan to turn China into a source of supply of salt for Japanese factories cannot be overlooked at the present time, as Japan is in no position to import any salt from foreign countries. In this connection, it may be noted that in former years, the Japanese soda industry consumed from 1,000,000 to 1,500,000 metric tons of salt, the bulk of which came from Somaliland and other foreign countries.

Japanese Production Inadequate

Japan produces only 500,000 to 600,000 metric tons of salt annually, which is barely sufficient to meet the needs of the people for food. As early as 1905, Japan imported salt from the Changlu region of North China. However, shipments were suspended until the Showa era when the Japanese soda industry was developed. In 1936, the Japanese Government brought pressure to bear on the North China authorities and the latter were forced to sign an agreement with the Japanese for the export of North China salt to Japan. In 1936, some 70,000 metric tons of salt were shipped to Japan from North China. In 1937, as much as 297,000 metric tons were exported to Japan according to the new agreement. Following the occupation of the North China provinces by Japanese troops, the figure rose to 426,000 metric tons. In 1939, however only 231,000 metric tons were exported to Japan.

In order to increase the production of salt in China so that more can be exported to Japan, the Japanese authorities in North China organized the North China Salt Company with a capital of Yen 25,000,000, this being one of the many subsidiary companies of the North China Development Company. The Japanese authorities in Central China organized the Central China Salt Company with a capital of Yen 5,000,000, this being one of the thirteen subsidiary companies of the Central China Development Company. These two companies were organized also to control the supply of salt in the Chinese market.

40 Per Cent of Total

The North China Salt Company is in control of the Changlu salt fields. In this connection, it must be emphasized that salt is one of the most important industries of North China. The production of the Changlu and Shantung salt fields represents about 40 per cent of the country's total production. Changlu is a collective term, comprising the coastal area of Pohai Bay and the most important salt fields of this region are Lutai and Fengtsai. Solar evaporation is the most widely adopted method in this area. Production was only 300,000 to 400,000 metric tons per year before the outbreak of hostilities. At present, it is reported to have been increased to 890,000 metric tons by the Japanese salt company, and according to their present plan the production will be increased to 2,000,000 metric tons by 1946.

That Japan is paying special attention to the development of the salt fields in North China is due to the fact that production of salt in general in this area is very cheap. According to Japanese reports, the cost of North China salt when brought to Japan is around Y16 or Y17 per metric ton, while the price of foreign salt in the early part of 1941 was Y27. According to the same reports, Japanese interests are eager to develop the salt fields in North China rather than in Formosa and Korea, as the cost of such development is lower in North China than the other regions. For instance, total cost for the development of salt fields in North China costs around Y800 to Y1,000 per *cho* (one *cho* is 2.451 acres), but in Formosa it is around Y4,000 and in Korea around Y2,500.

The following table gives the details of the Five-Year Plan of the North China Salt Company for the development of the salt industry in the Changlu region:

PRODUCTION OF SALT

	Stocks	*Output*	*Total*
1941	322,000	896,000	1,218,000
1942	348,000	1,307,000	1,655,000
1943	506,000	1,611,000	2,117,000
1944	717,000	1,729,000	2,446,000
1945	836,000	1,746,000	2,582,000

DISTRIBUTION OF SALT

	General Public	*Industry*	*Shipment to Japan*
1941	200,000	150,000	550,000
1942	230,000	230,000	700,000
1943	250,000	300,000	850,000
1944	300,000	360,000	950,000
1945	320,000	400,000	1,000,000

From the above table it can be seen that the Japanese plan aims to increase production for the sole purpose of supplying salt to Japanese factories in North China and in Japan. The supply of salt for the general public will increase only by 120,000 metric tons in the five years, while the supply of salt for industry will increase by 350,000 metric tons and shipments to Japan will increase by 450,000 metric tons in the five-year period.

Lately, a special Shantung Salt Company was organized, being also a subsidiary company of the North China Development Company to develop the salt fields in Shantung Province. This company has also a five-year plan and according to this the production of salt in the old salt fields will be increased to 700,000 metric tons by 1946. Meanwhile, new salt fields will be developed and their production will furnish another 700,000 metric tons by 1946.

The Central China Salt Company was organized in August, 1939 for the purpose of obtaining salt for Japan. No figures are available regarding the plans of the company to increase the production of salt in the occupied areas of Central China, especially that of the south Anhwei region. However, the following figures regarding the business condition of the company are of general interest.

Profitable Concern

According to statistics released by the management, the company in 1939 sustained a loss of Y47,669 but in the year from November 1, 1939, to October 31, 1940, the company made a net profit of Y532,030. Deducting the loss of the previous year, the company made a net profit of Y484,360 in 1940 and paid a dividend of eight per cent to the shareholders. In the six months from November 1, 1940 to April 30, 1941, the company made a net profit of Y281,691.

The migration of large numbers of people to Free China in the past four years created a serious salt supply problem in the interior provinces, especially since only a small quantity of the salt produced in the rich Changlu and south Anhwei districts can be sent to Free China. However, as a result of special efforts on the part of the Chinese authorities, salt production in Szechwan, Yunnan, Kansu, Shensi, Kwangtung, Chekiang and Fukien totalled 24,000,000 piculs in 1940 as compared with the pre-war average of 18,000,000 piculs. This 33 per cent increase in production represents but the initial success of government promotion efforts. The combined consumption of salt in these provinces is estimated at 20,000,000 piculs a year, leaving an annual surplus of 4,000,000 piculs for provinces with inadequate production.

In addition to the measures taken to increase the production of salt in Free China, the Chinese authorities were forced on March 26, 1939 to suspend temporarily the amortization payments on loans secured on the salt revenues.

Japan Takes Over Spratley Islands

The appearance in Tokyo last week of new maps showing the Spratley Islands in the south China Sea as Japanese possessions led to some questioning in both the American and Japanese capitals.

Secretary of State Cordell Hull stated at his press conference on August 21 that the United States would view with concern and refuse to recognize any formal Japanese annexation of additional Pacific islands, *Reuter* reported. Undeterred by this statement, Mr. Koh Ishii, deputy spokesman of the Cabinet Information Board in Tokyo, told foreign correspondents the following day that the islands had already been incorporated under the jurisdiction of the Formosan Government-General under the name "Shinnan Gunto."

Seven of the islands in the Spratley group were taken under Japanese jurisdiction in 1939, although the French had raised their flag there six years earlier. The Japanese contended that they were ownerless.

Recent Appointments, Transfers By the Chinese Government

The appointment of Dr. Quo Tai-chi, former Chinese ambassador to Great Britain, as minister of foreign affairs of the National Government, and the promotion of Mr. Hsu Mo, political vice-minister of foreign affairs, to the position of China's first minister to Australia, has occasioned further shifts of important officials to fill the vacated posts. Transfer of Dr. V. K. Wellington Koo from France to London, left a vacancy in France which was filled by Dr. Wei Tao-ming, formerly secretary-general of the Executive Yuan. Now it is reported from Chungking that Dr. Tsiang Ting Fu, director of the Political Department of the Executive Yuan and former ambassador to Soviet Russia, will take over the post of secretary-general of the Executive Yuan.

Mr. Hsu Mo, new minister to Australia, who is now in Hongkong awaiting a ship, will be accompanied by other staff members of the new legation, including Tuan Mou-lan, former chief of the American Department of the Foreign Ministry, who will be counsellor of the legation; Hu Cheng-yu, who will be first secretary; Cheng Kang-chi, second secretary and Li Ching, third secretary. Cheng Kang-chi was a member of the Press and Intelligence Department of the Foreign Ministry and headed a Chungking mission to Malaya, India and Burma. Dr. Fu Ping-chang will be appointed to the post of political vice-minister of foreign affairs, vacated by Mr. Hsu Mo.

Chen Tai Gets Post

Other recent appointments in the Ministry of Foreign Affairs include Chen Tai, former minister to Belgium, who is now in the United States, to the post of administrative vice-minister of foreign affairs; Hsu Kung-su, director of the General Affairs Department of the Foreign Ministry to the post of counsellor of the embassy at Vichy; Shen Tsung-lien, member of the Supreme National Defense Council, director of the General Affairs Department of the Foreign Ministry.

A further diplomatic transfer reported by *Kuomin*, was that of Mr. Wunsz King, minister to the Netherlands, who was transferred to London. Mr. King will have concurrent charge of the affairs of the Chinese Embassy in Belgium. *Kuomin* also reported that Miu Yun-tai had been appointed to head an official goodwill mission to Burma.

It also was reported from Chungking on Aug. 23 that Pan Kung-pi, former editor of the *Shun Pao* and well known in Shanghai, had been appointed editor of *Hsin Chow Jih Pao* (Singapore Daily News) leading Chinese newspaper in the Straits Settlements. The paper is owned by Au Boon Haw, well-known Chinese industrialist and philanthropist.

Ku Meng-yu, recently appointed president of National Central University in succession to Dr. Lo Chia-lun, assumed his new duties on Aug. 23. The Ministry of Education also announced the appointment of Dr. Kao Yang as president of National Kwangsi University in succession to Dr. Lei Pei-hung, who was transferred to another post. The Ministry also announced on Aug. 20 the appointment of Dr. Liang Yin-wen as president of Chungking University, established by the Szechwan Provincial Government, in succession to Dr. Yeh Yuan-lung, who has resigned.

Other Appointments

Further appointments and transfers, reported chiefly by *Kuomin*, include Hsia Chin-hsiung as secretary of the Executive Yuan in place of Tung Chung, who resigned; Wang Hsin-chou, director of Social Education Department of Ministry of Education; Hsu Kan, former political vice-minister of finance, to position of minister of food; Kang Chi-min, member of Mongolian and Tibetan Affairs Commission; Pien Ting-yuan as director of General Affairs Department of Finance Ministry; Wu Kai-hsin, assistant director of Central Party Headquarters, placed in temporary charge of department during absence of Dr. Chu Chia-hun in Kansu; Wang Yao to position of chief accountant of War-time Relief Commission; Major-Gen. Chiang Ching-kuo (eldest son of Gen. Chiang Kai-shek), now special administrative commissioner in Kiangsi, to post of director of Salt Transportation Inspectorate for Fukien, Chekiang, Hunan and Kiangsi; Hsieh Ti-min, secretary of Executive Yuan in place of Liu Yung-kai, who was transferred to another post; Chu Yung appointed member of Yellow River Conservancy Commission in place of Huang Hao, who was transferred to another post; Chang Han-ying, appointed chairman of Yellow River Conservancy in place of Kung Hsiang-yung, who died recently; Wang Tung, Wu Chien-chang, Li Ken-sheng, Cheng Chao-ying, Chu Tsung-liang, Kao Lu, Yang Liang-kung, Tseng Tao, Li Szu-sung and Hu Pai-yo, appointed members of the committee for preliminary tests of Higher Civil Service Examinations; Hsien Kuan-sheng, minister of judicial administration, appointed chairman of a committee for preliminary tests of higher civil service examinations for judicial officials, with the following members of the committee, Hsia Chin, Tien Wen-lan, Chu Hsi-tsu, Tang En-pei, Shen Shih-yuan, Liu Tung-sun and Chang Chung-tao.

Chu Cheng, president of Judicial Yuan, announced appointment of chairmen of four delegations to visit Chungking war zones for purpose of inspecting conditions among the troops—Gen. Liu Wen-tao, Ma Chao-chun, Hsiao Cheng and Bishop Paul Yu Pin.

Kwan Chi-yu was appointed director of Revenue Department of Ministry of Finance in place of Kao Ping-fang, who was transferred to another post. Chen Wen-liang and Hsueh Fen-shih were appointed members of the Overseas Affairs Commission upon the recommendation of President Chiang Kai-shek of the Executive Yuan.

Free China Posts

According to *Kuomin* reports from Chungking on August 22 the Government announced a number of appointments to posts on committees having charge of higher civil service examinations. Among those appointed were, Kuo Yu-shou, director at Chengtu; Yang Tsu-shih, director at Kunming; Su Hsi-shun, director at Kweilin; Wang Chieh-liang, director at Sian; Cheng Tung-ho, director at Lanchow, Kansu; Lu Tang-ping, director at Loyang; Cheng Shih-kuei, director at Taiho, Kiangsi; Hsu Shao-ti, director at Lishui, Chekiang; Cheng Chen-wen, director at Yungan, Fukien.

Upon the recommendation of the Ministry of Education, the Executive Yuan issued a Mandate of Commendation in honor of Li Chang-che of Lanshan district, Hunan, who contributed land valued at $115,000 to the Ting Hsin Primary School for construction of new buildings; a similar honor was conferred on Ma Pu-kang of Linhsia district, Kansu, who contributed $20,000 to the Chinghai Mohammedan Education Promotion Association as an endowment fund.

It was announced at Chungking on Aug. 6 that Gen. Ma Chan-shan, hero of the Nonni River Battle in Manchuria in the winter of 1931-1932, has been appointed chairman of a recently-inaugurated Heilungkiang (Manchuria) Provincial Government, the location of which was undisclosed.

Recent provincial appointments included, Chia Yun-shan as director of the Kiangsu Peace Preservation Department in place of Ku Hsi-chiu, who was transferred to another post; Hsiung Pin, recently appointed chairman of Shensi, ordered to serve concurrently as peace preservation commissioner in place of Chiang Ting-wen, who was transferred to another post; recent special administrative commissioners appointed in Shansi include, Liu Han-sen, 7th area; Wei Shun-men, 15th area; Chang Meng-tsu appointed special administrative commissioner for 7th area of Kiangsi in place of Chin I-cheng, resigned; Li Yuan-ting, member of Shensi provincial committee, resigned; Gen. Feng Chin-tsai appointed chairman of Chahar Provincial Government in place of Gen. Shih Yu-san, who was executed; Pi Tse-yu, who had served as acting chairman of Chahar and concurrently commissioner of civil affairs, relieved of duties; further recent appointments to Shensi provincial committee included Ling Mien-chih, Ku Jen-fa, Chow Hsia, Liu Chu-tsai, Ma Ching-fu, Li Yuan-ting; Ku Jen-fa to serve concurrently as secretary of Shensi provincial government.

Axis Refugees Arrive From Manila; More Jewish Emigres Reach Here

Four hundred Axis refugees from Manila arrived in Shanghai on August 22 aboard the French liner Marechal Joffre. Eight of these were German, two Italian, and 390 Japanese, most of whom have been forced out of the Philippines largely because of recent freezing orders.

All passengers aboard the ship were carefully searched on leaving Manila, and excess valuables and money said by the High Commissioner's office to be less than the "exaggerated" US$50,000 reported by one passenger, were seized by customs authorities. Not a single passenger is said to have escaped the inspection, which delayed the sailing of the vessel from Manila for six hours.

Off For Japan

After a three day stopover in Shanghai, the Japanese evacuees left for Japan on August 25 aboard the liners Asama Maru and Kobe Maru, according to the *Tairiku Shimpo*. Japanese officials including Mr. Chiyosaku Fukuda, president of the Japanese Residents Cooperation, and members of the Japanese Young Men's Association and the Japanese Ladies' Emergency Association were on hand to see them off.

A second group of 150 Japanese left Manila on August 23, according to *Havas*. Most of these persons are ultimately bound for Japan.

Mr. Takashi Araki, chancellor of the Japanese Consulate-General in Manila, declared on August 22 that most of the evacuees from the Philippines have lived there for 20 to 30 years. They were predominately small merchants and were forced out by the U.S. freezing order.

Many Japanese to Stay

Mr. Araki stated, however, that more than 20,000 Japanese engaged in the hemp industry in Davao are not expected to return to Japan. He further pointed out that there are also 6,000 Japanese residents still in Manila, some of whom will probably evacuate later.

Japanese correspondents of the Tokyo *Nichi-Nichi* in Batavia, Mr. Tsuneyoshi Ishibashi, and Mr. Sadaki Tobishima, were ordered out of the Netherlands East Indies on August 21 because of the editorial policies of the *Nichi-Nichi* and the Osaka *Mainichi*. The Tokyo paper was charged by the Netherlands authorities with having published articles directed against the interests of the Indies, one of which stressed the necessity to include the Dutch possession within Japan's Greater East Asia Co-Prosperity Sphere.

The correspondents are also reported to have written their paper that the Netherlands East Indies has completely entered the Anglo-American anti-Japanese bloc since the freezing orders were issued. Furthermore, approximately 5,500 remaining Japanese residents in the Dutch islands were reported to be faced with the necessity of evacuating owing to "steadily worsening Japanese-Netherlands East Indies trade relations and systematic anti-Japanese pressure."

Meanwhile, the first batch of European Jewish emigres to evacuate Japan reached Shanghai aboard the Asama Maru on August 22. This group and 600 other Jewish emigres who are expected to arrive here from Japan shortly, will stop over in Shanghai until they can obtain visas or permits to proceed to the United States, Palestine or Burma.

Scholars Given Certificates

Temporary living quarters in Hongkew were provided for the Asama Maru batch. A few of the Jewish religious scholars in the group have been issued special British certificates enabling them to proceed to Palestine and a certain number are also said to have been given facilities to proceed to Burma.

The Jews coming here from Japan remained in that country for more than a year, being extended special privileges by the Japanese government after they were unable to obtain visas and permits to proceed to their intended destinations. The refugees, numbering 2,000 persons, were stranded in Japan after failing to receive visas and expiry of their 14 days' transit visa in Japan. Recently, however, the Japanese announced that the emigres would have to leave the country by the middle of the month.

It was learned this week that the Jardine steamer Yuensang, coming from Hongkong to Shanghai in about a week's time, will proceed to Japan to evacuate 400 British Indians. From Japan, the vessel will sail directly for India, it is understood.

Burma Road Traffic To be Speeded Up

Traffic over the Burma road will be speeded up 200 to 300 per cent if half their recommendations are adopted, the three American trucking and highway experts studying the transportation problem told the **United Press** on August 21 prior to their departure from Chungking for Hongkong and the United States.

Following a careful inspection of the Burma road and China's transportation facilities during the early part of August, the trio of experts, Messrs. Daniel Arnstein, Harold Davis and Marco Hellman, returned to Chungking with a detailed list of recommendations which they gave to General Chiang Kai-shek and other leading government officials. While details of the report were not disclosed, the trio's plan is understood to envisage the organization of four bodies to manage traffic and the highway. These will include an efficient police or military patrol department, an unified communications system and staff, equipped with radio to aid in contacting all points constantly, and a highway maintenance department and operations department which will operate all government trucks on the road instead of allowing each government agency to operate the vehicles independently.

More Experts Coming

Mr. Arnstein, in discussing the solution of the problem, insisted that it would be 100 per cent Chinese. He added that for the time being experienced American operators, technicians and mechanical experts would be assigned to help organize and demonstrate to the Chinese holding key posts how to put the plans into operation.

Thirty-five of these experts are already en route to China from the United States and are expected to arrive shortly. Chief of the group will be Lieutenant James Wilson, at present Assistant U. S. Military Attache in Chungking. Lieutenant Wilson is a reserve officer who was recently called to duty from the management of a large trucking concern in New York state. He will head the operations department which will operate 90 per cent of the trucks on the Burma road and a large number of new trucks due to arrive soon under the Lend-Lease Act.

Chinese Said Eager

Mr. Arnstein further stated that some minor suggestions made by the investigating experts had already been adopted with gratifying results. The Chinese participating in the plan were characterized by him as "so eager to get this key job done that they are ready to go ahead faster than perhaps is wise."

Only possibility of a halt in traffic even for a brief period would be the bombing of all the bridges by the Japanese, Mr. Arnstein stated. This possibility is only one chance in a million, he added.

The investigating trio has been so well liked that General Chiang, in his final conferences with them, is said to have asked them to stay and carry through their recommendations. The three men, however, feel that they have completed their job, although Mr. Arnstein indicated that he might return in six months if the plan bogs down.

U.S. and Britain Tighten Sanctions

Tightening of economic sanctions against Japan was seen on two fronts last week-end when President Roosevelt issued an executive order increasing the tariff on crab meat imports by 7½ per cent, while the British Board of Trade prohibited the export of any goods, except under license, to China, the Japanese Pacific islands and Macao, effective August 25. It was stated in London that the British order does not apply to goods exported through Rangoon for transit overland to China by way of the Burma highway. The order is understood to be complementary to an earlier order which prohibited all exports to the Japanese Empire.

President Roosevelt made it clear that his order raising the import duty on crab meat from 15 to 22½ per cent was directed against Japanese interests. He said he understood that the Japanese maintained a huge crab fishing industry in waters close to the Alaska coast. It was carried on aboard floating canneries which were remarkably efficient, the President said. The order stated that the Tariff Commission had shown by investigation that America's principal competitor in the crab meat industry is Japan and that the duty fixed by statute does not equalize production costs as between American and Japanese companies.

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26 Americans Given Passage from Japan

Apparently under pressure from the Tokyo Foreign Office, the N.Y.K. line granted bookings to 26 Americans for passage on the Tatuta Maru which was to sail from Kobe for Shanghai on August 28. The party, according to United Press, includes nine United States Navy men, two U.S. Marines, and four U.S. Army language officers plus two Consulate clerks due for home leave and nine consular employees who recently evacuated from Soviet Russia. Most of these persons are expected to obtain trans-Pacific passage aboard the United States Navy transport Henderson, due to leave Shanghai shortly.

The N.Y.K. action is along the lines of what is believed to have been the original American Embassy suggestion for evacuation of officials when Japanese ship sailings were cancelled.

There is still no Japanese-American agreement on general evacuation, however, Secretary of State Cordell Hull announced at an August 23 press conference in Washington. Negotiations concerning the issue are proceeding hopefully, he added, but no final working agreement has been reached.

Permission to leave Japan is understood to have been finally granted to Miss Martha Klein, American writer of travel articles, after it was at first refused. Miss Klein was told by the Japanese Foreign Office through the American Embassy that the Home Office reversed its stand and that permission would be granted for her to leave.

Mr. C. C. Chapman, Tokyo representative of Mackay Radio, was also denied permission to leave but it is hoped that the decision will be again reversed. No discrimination, the Japanese assert, is being made in the granting of permission for foreigners to leave Japan.

Japan has no intention of keeping hostages, according to a statement made on August 22 by Mr. Koh Ishii, deputy spokesman of the Cabinet Information Board in Tokyo. Mr. Ishii declared that "our tradition and civilization makes Japan too proud to take foreigners as hostages. It is entirely out of the question."

The Deputy Spokesman further stated that the President Coolidge incident was finally closed and added that lack of Pacific ships was causing an extremely inconvenient situation both for Japan and the United States.

Nine Tokyo Murder Plotters Sentenced

Sentences ranging from ten months' to four years' imprisonment, mostly with stays of execution, were meted out in the Tokyo District Criminal Court on August 25 to nine "ultra-nationalists" said to have confessed participation in the sensational assassination plot of July, 1939 which was aimed at the lives of "certain elder statesmen" of Japan for their reputed pro-British tendencies.

The plot was uncovered at the time of the Japanese blockade of the foreign concessions in Tientsin, when anti-British demonstrations in Japan, and others sponsored by the Japanese in various parts of China, were claiming world-wide attention. All nine defendants were convicted of plotting murder and violating the Explosives Law.

Outstanding among the defendants were Kenichiro Homma, 51, head of the patriotic "Shizan" (Blue Mountain) training academy, who was sentenced to 14 months' imprisonment without suspension, and Icho Sasai, 58, president of the now defunct "Dai Nippon Party" who was sentenced to 18 months' imprisonment suspended for three years.

Testimony at the trial, *Domei* reported, revealed that the plotters made only one actual attempt at assassination, and that unsuccessful, when three of their number tried to dynamite the automobile of one of the statesmen marked for killing.

Leader of Free French Here Said Liberated

"Free" Frenchmen of the De Gaullist party in Shanghai were jubilant this week when word was received that their leader, Mr. Roderique Egal, who has been under arrest in French Indo-China for four months, has been set at liberty and may be able to return to Shanghai.

Mr. Egal, who is the head of the firm Egal et Cie., was arrested here on April 5 at his French Concession residence by the French naval authorities. For two weeks he was held prisoner aboard the French gunboat Amiral Francis Garnier, then taken to Saigon in French Indo-China for trial on a charge of inciting French sailors to desert from the gunboat.

It is understood that Mr. Egal was tried, found guilty and given a suspended sentence. His local lawyer, Mr. Paul Premet, has received word of his release however, and it is presumed that he will return here to his wife and business.

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Red Cross Aid to China Continuing

American Red Cross shipments to China, including large quantities of cracked wheat and rice, which were purchased with U.S. Government funds, have nearly reached the US$3,000,000 mark, or approximately CN$60,000,000 at present rates of exchange, according to **United Press** message from Red Cross headquarters in Washington this week. Aside from shipments of cracked wheat and rice, much of which has been landed at Shanghai and Hongkong, large quantities of medicines also have been dispatched to China by the Red Cross and the United China Relief, a central or coordinating body for eight American organizations which are now engaged in raising the additional sum of US$5,000,000 for the relief of war victims in the Chinese Republic.

Total American Red Cross shipments of foods and medical supplies to war victims in Europe and Asia, according to the above report, reached the sum of US$47,087,052 this week. The largest portion, valued at US$25,340,330, went to Great Britain.

The issue of **Life** magazine for June 23 contained numerous pictures and a description of the campaign now being conducted by the United China Relief for funds, which will be used chiefly for the purchase of medical and hospital supplies for victims of Sino-Japanese hostilities, most of whom are in towns and villages in the interior which are constantly being bombed by Japanese Army and Navy aircraft.

Extent of medical aid now being received in China was indicated in a **Kuomin** report from Chungking recently telling of the arrival there of 2,000,000 doses of anti-cholera vaccine and 200,000 doses of anti-bubonic plague serum, which was sent to the China National Health Administration by an organization known as American Medical Aid to China Committee.

Aside from this report, the Red Cross news bulletin, issued in Washington, told of large shipments of Thiamin Chloride Vitamin B-1 tablets which were dispatched to Hongkong by Clipper plane for the purpose of combating an epidemic of beri-beri, a deficiency disease, characterized by partial paralysis, swelling of the legs and general dropsy. The disease is frequently fatal when proper treatment is not available. According to the Red Cross **Bulletin,** sufferers from the ailment in Canton—now controlled by the Japanese military—numbered between 200,000 and 300,000 The Japanese apparently were unable to cope with the epidemic as nothing had been done prior to the arrival of the medicine from the United States. Deaths averaged from 50 to 200 daily.

In response to an appeal for aid for the suffering Cantonese the American Red Cross immediately sent 60,000 of the Thiamin Chloride tablets by clipper to Hong Kong where they were delivered to Lieutenant William T. Foley of the U.S. Navy Medical Corps on the U.S.S. Mindanao, a gunboat, on which they were taken to Canton. An additional 100,000 tablets were shipped on the S.S. President Taft on December 20, and a further 100,000 went on the S.S. President Pierce when she sailed for China on April 7.

Immediately on arrival of the first batch of tablets, according to Dr. Foley's report, the Chinese Maritime Customs physician turned over his office and facilities for the formation of a special beri-beri clinic which was established on the Canton Bund near the Custom House, and the Ricksha Coolie Guild printed and distributed handbills telling about the free treatment center. Treatment centers for the very sick were also established at eight hospitals, the chief being at Fong Pin Hospital.

"The use of Thiamin Chloride has indeed been miraculous," Dr. Foley reports. "At Fong Pin Hospital there were over 700 cases of beri-beri among in-patients. After two weeks' treatment there were no active cases of beri-beri remaining, except new arrivals." The effect of Thiamin Chloride on certain acute cases is striking, he reports. Patients who otherwise would have died within two days of admission to the hospital were back at work at the end of a week, following the treatment.

Red Cross Wheat and Rice at Hongkong

Thousands of bags of cracked wheat and rice arrive at Hongkong for distribution to war victims in the southern Chinese districts. The picture on the right shows a number of Chinese relief workers who assist in the distribution of the wheat and rice. The American President Lines cargo vessel, Ruth Alexander, which recently docked at Shanghai, also carried a large supply of both cracked wheat and rice as well as powdered milk, which will be distributed to hospitals.

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Japanese Launch Attacks on Red Forces in North; Air Raids Continue

Bombing of cities and towns in Free China was continued, at decreasing tempo, by the Japanese this week. A new development on the war fronts was the reported launching of large-scale Japanese operations against the Chinese Communist forces in North China.

After a respite of eight days, Chungking had its share of bombing on Aug. 22 when the civic and educational sectors of the wartime capital were severely blasted. The Shapingpah area, including sections of the National Central University, Chungking University and the Nankai Middle School were attacked and several fires started.

Also damaged in this raid was the Seventh Day Adventist building, six Chinese being killed in the mission's dugout. The Chinese Red Cross headquarters were set on fire. The Red Cross Hospital was wrecked and its stores and supplies in the Hsiaolingkan area demolished. In addition, 100 shops were destroyed. The premises of the *Commercial Daily News* were shattered.

Raids Over Szechwan

Continuing their bombing the following day, approximately 100 Japanese planes raided the province of Szechwan in several flights. One flight blasted the cultural section of a Chungking suburb where an air combat took place. The Kiangpei area on the northern bank of the Chialing River was bombed. One bomb landed 30 yards from Chialing house, Chungking's only foreign-style hotel, blowing out some doors and smashing windows. Among other cities bombed were Liangshan and Hochwan in central Szechwan.

Tseliutsing had a two-day raid from Aug. 18. The Canadian Mission property was damaged on the first day, according to *United Press*, while a squadron of 27 Japanese planes swooped over the city again the next day.

Highlighted in the record of the Chinese air force was the report that Chinese planes, after a long period of inactivity, visited Japanese-occupied Hanshan in southern Anhwei, inflicting serious damage to the enemy. One Japanese plane was shot down by Chinese anti-aircraft guns at Fenchieh, eastern Szechwan, during a raid over Chunghsien.

Attacks on Kwangsi

The Japanese aerial offensive against other Free China cities was continued in a series of raids over Kwangsi, Hunan and Yunnan provinces. A flight of 31 Japanese planes took off from French Indo-China and raided Liuchow, in central Kwangsi, and Lungchow, in southern Yunnan, on Aug. 20. Hengyang, in southern Hunan, was attacked by 26 bombers on the same day.

Quoting a Japanese military dispatch, *Domei* reported another raid over Yungyang, eastern Szechwan, on Aug. 24. Direct hits were said to have been scored on a salt factory and several military objectives. *Domei* also claimed that Japanese army planes launched surprise raids in the Patung and Kweichow areas the same day. Near Patung, direct hits were scored on a 1,000-ton steamer and "several" 500-ton craft, which were sent to the bottom of the Yangtsze. Another 1,000-ton ship near Kweichow was also set on fire, according to *Domei*. Meantime, another series of extensive raids were reported by *Domei* to have been staged on Changsha, Hengyang, Kweilin, Lingchwan, and Chiyang.

Reviewing the Sino-Japanese aerial battle over Szechwan province which took place last week, the Chinese military spokesman at Chungking announced on Aug. 22 that three Japanese planes were shot down and their crews, totalling 15 men, killed.

Offensive in North

Large-scale Japanese military operations against the Chinese communist army in North China are under way, according to a *Domei* dispatch from Tokyo dated Aug. 25. The Tokyo press featured the current Japanese drive in North China as the first large-scale development in the China war since the appointment of Yasuji Okumura as commander-in-chief of the Japanese Expeditionary Forces to North China early last month, succeeding General Hayao Tada.

The "first phase" of operations was said to have been completed after an encounter with Communists under Gen. Chih Jung-chen, and fighting has been going on in the central and western Hopei plains and the Taiheng range where the Japanese engaged the remnants of Chih's armies, according to *Domei*. In western Hopei, near the Sinhohsien, Sintachen, and Shuluhsien areas, the Japanese are pushing westward after having engaged a total of 10,000 Communist forces, the report claimed.

Army Said Trapped

In northern Shansi, Japanese columns, while marching southwestward from Wutai, Teihsien and Yuanpingchen, advanced northward from Tsingsing, Yangchuan and Showyang along the Shihtai railroad in central Shansi and succeeded in trapping thousands of Gen. Kuo Tien-min's army, the report continued.

In conjunction with the land forces, Japanese army air units staged serial raids on Taisiuyao, a strategic point 64 kilometers northeast of Chenting, in western Hopei, the report concluded.

China Severs Relations With Nazi-Held Denmark

China has severed diplomatic relations with Nazi-controlled Denmark in retaliation for Danish action in recognizing the puppet Wang Ching-wei government at Nanking and the puppet government of Manchukuo. Announcement to this effect was made in Chungking on Aug. 21 by Dr. Quo Tai-chi, China's foreign minister. Danish recognition of Nanking was announced on Aug. 18. Dr. Quo expressed regret that Denmark had not hesitated to abandon her long friendship with China.

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Chen Chi-tang in Rebellion Again?

A report to the effect that Gen. Chen Chi-tang, erstwhile warlord of Kwangtung Province, is engaged in his second rebellion against the Chinese National Government, was carried in a report from Hongkong by the Japanese **Domei** agency on Aug. 22. Gen. Chen, who joined the National Government after the outbreak of Sino-Japanese hostilities in 1937, being given the post of Minister of Agriculture and Forestry, arrived in Hongkong recently from Chungking, having departed from the capital, according to **Domei**, under the pretext of "visiting relatives."

In Hongkong, the report continued, Gen. Chen is leading a movement for the overthrow of the Chungking government and has enlisted the support of many Chungking officials stationed in the British crown colony.

Gen. Chen rebelled against the National Government—then at Nanking—in the summer of 1936. At that time he was Pacification Commissioner of Kwangtung Province and while in that post had amassed a huge fortune. The rebellion collapsed when the commanders of his armies, notably Gens. Li Han-huan and Yu Han-mou, deserted to the Nanking cause, thus dictating a policy of caution to his allies in neighboring Kwangsi, Gens. Li Tsung-jen and Pei Chung-hsi. Gen. Chen fled to Hongkong on a British gunboat, taking his ill-gotten fortune with him. Later he went abroad as a representative of the Nanking Government, returning to China to enter the Government after the outbreak of Sino-Japanese hostilities.

According to the puppet **Central Press Service**, Gen. Chen is being "watched and spied upon" by Chungking agents in Hongkong, while **Domei** additionally reports that Chungking has dispatched numerous "special agents" to the crown colony to prevent further "subversive activities" among its own officials.

Chungking Adds to List Of Banned Commodities

An amended list of products, the importation of which has been banned by the Chinese Government at Chungking, has been drawn up but has not yet been received in Shanghai, according to an announcement by the local American Chamber of Commerce. Amendments to the list, banning the importation of many additional commodities, were made following the recent Anglo-American freezing of Japanese assets. Nothing can now be imported without import licenses furnishing the necessary amounts of foreign exchange, and no licenses will be issued for articles on the prohibited list.

Chungking's original list of banned imports was issued in July, 1939. It embraced 158 different items in the Chinese Customs Tariff schedule and 12 sets of classifications, including cotton and manufactures thereof, flax, ramie, hemp, jute and manufactures, wool and manufactures thereof, silk and manufactures thereof, food, drink and vegetable medicines, tobacco, candles, soap, oils, fats, waxes, gums and resins, books, maps, paper and wood pulp, animal substances, raw and prepared, and manufactures thereof, timber, wood, bamboos, rattans, straw and manufactures thereof, chinaware, enamelled ware, glass, etc., miscellaneous.

British and Soviet Troops Start Invasion of Iran; Nazis Claim Capture of Dniepropetrovsk

On the morning of Aug. 25, only a few days prior to the second anniversary of the outbreak of World War II, British and Soviet armed forces began a simultaneous invasion of Iran. Copying the Nazi technique, London and Moscow apprised the Iranian government at Teheran of the action only after British and Soviet troops had crossed the Iranian frontiers. The invasion was undertaken after the Teheran government had failed to satisfy Anglo-Soviet demands for the expulsion from Iran of a large number of German fifth columnists said to be in the country.

Russian soldiers, massed on the Iranian border for the past week, entered Iran at two points, at Dzhulfa towards Abriz, about 100 miles from the Turkish border, and at Araks toward Ardebil, 60 miles from the Caspian Sea. The first day's advance was said to have covered approximately 30 miles.

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British Troops Advance

British troops under the command of General Sir Archibald Wavell advanced from various points in Iraq and landed from the sea at Bandar Shapur on the Persian Gulf. An official Simla report states that the troops have occupied oil installations at Naftishah and the small southern town of Kasrishirin without any serious resistance. British airborne troops, according to a **Reuter** report, have taken steps to protect British families employed by the Anglo-Iranian Oil Company.

Little bombing and artillery bombardment of Iranian towns has so far taken place, but the R.A.F. is said to have dropped leaflets on Teheran explaining the military action. The leaflets allege that Britain has no quarrel with the Iranian people and has no designs on their independence or territory.

Explanation made to the Iranian Government by Soviet authorities states that the action is in agreement with the Soviet-Iranian treaty of 1921 which provides that Soviet troops may occupy the country temporarily with a view to safeguarding the security of the U.S.S.R. Soviet forces will be removed, according to the note, as soon as the present danger has disappeared.

While American and British papers expressed full approval of the invasion, Japanese papers and statesmen labelled the action as "shocking." Mr. Koh Ishii, deputy spokesman of the Cabinet Information Board in Tokyo, on August 26 announced that the British move was made on an unjustifiable pretext. The **Nichi-Nichi**, Tokyo newspaper, declared editorially that the real motives for the violation of Iran's neutrality were first, the opening of a supply route for the passage of war materials to the Soviet Union; secondly, the seizure of Iranian oilfields, as well as protection of Soviet oil in the Caucasus against German seizure; and thirdly, the use of Iranian bases in the event of a Nazi occupation of the Caucasus.

Fighting on the Eastern Front continued on a somewhat reduced scale with the Germans claiming the capture of Dniepropetrovsk and the establishment of a bridgehead across the Dnieper River. The fall of the Soviet industrial city of Dniepropetrovsk was announced by the German High Command on August 27. The German claim to the establishment of a Nazi bridgehead across the Dnieper has not been admitted by Soviet authorities and is considered unlikely in view of the fact that Soviet troops are still fighting a rearguard action in some sectors west of the river.

While the position of Leningrad still remains critical, with a siege apparently developing, the third German offensive appears to be slowing down. Muddy roads are keeping mechanized units on the main highways and stiffening Soviet resistance is keeping daily Nazi advances below the two-figure mark.

Novgorod Falls

Fall of Novgorod on the northern shore of Lake Ilmen has been officially admitted by the Red High Command. The occupation of this city by the Germans and the capture of Kexholm by the Finns brings the invading forces close to Leningrad and its vital rail artery to Moscow. An announcement has been broadcast by the Leningrad authorities that the northern industrial center will not capitulate and is ready to repel the enemy "with a decisive blow."

German forces have closed in on the Estonian city of Tallinn but Red resistance still makes German occupation impossible. Soviet authorities have intimated that they plan to retain the vital Baltic port and naval base which has enabled Soviet naval units to operate successfully.

Preparations for a long war are being made in the U.S.S.R. which is placing orders for US$1,000,000,000 worth of war materials in the United States. About 10 per cent of the supplies will be delivered within the next few weeks, according to **United Press**, but most of them will not be ready for delivery until Spring. All Soviet requests for aviation gasoline are said to have been met, while some faster planes have already arrived in the

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U.S.S.R. and others are en route. Medium bombers are being allotted from current production but have not yet been assembled.

Warning to Japan

That the U.S.S.R. will permit no interruption of the flow of supplies from the United States to Russia via the Pacific is seen in an August 26 announcement from Moscow, according to which Foreign Commissar Molotoff informed the Japanese Ambassador in Moscow that Soviet Russia will consider as a hostile act any attempt to obstruct normal Soviet trade with the United States through Far Eastern waters and ports.

The U.S.S.R. is also getting large amounts of supplies from Australia, Prime Minister Menzies revealed in Canberra on August 21.

Announcements of casualties allegedly suffered by their foes after two months of fighting on the Eastern front were made in both Berlin and Moscow late last week. German **Transocean** reports state that roughly 5,000,000 soldiers of the Soviet armed forces were rendered **hors de combat** during the period. From one to two millions of these are said to be Germany's prisoners.

Territory Occupied

Further German claims include the occupation of 870,000 square kilometers of Soviet territory, the capture or destruction of 14,000 armored cars and 15,000 fields pieces, and the destruction of 11,250 Soviet planes.

Soviet reports of German losses as given by the **Tass** news agency are less sensational but point toward a large depletion of Nazi manpower. More than 2,000,000 Nazi soldiers are said to have been killed, wounded or taken prisoner, while 8,000 tanks, 10,000 guns, and more than 7,200 planes were reported captured or destroyed.

Soviet losses, according to Soviet authorities, are far below the high figures set by the Germans and include only 150,000 men killed, 440,000 wounded, 110,000 missing. Approximately 5,500 tanks, 7,500 guns and 4,500 planes have also been admittedly lost.

American Military Mission for China

President Roosevelt and Dr. Hu Shih, Chinese Ambassador at Washington, announced on Aug. 26 that an American military mission would be sent to Chungking within two weeks and would be headed by Brig.-Gen. John Magruder. The aim of the mission, it was stated, will be to assist in carrying out the intentions of the Lend and Lease Act as regards China. It will work under the direction of the U. S. Secretary of War.

Sources close to the Japanese Foreign Office, **Domei** reported on Aug. 27, conceidered the appointment of the mission as "an unfriendly act toward Japan" which contradicted Prime Minister Churchill's statement that Britain and the United States desire a peaceful settlement of problems with Japan.

Purposes of the military mission to China are identical with those of the mission dispatched to Soviet Russia, President Roosevelt said. Its functions will be to "study, in collaboration with the Chinese and other authorities, the military situation in China and Chinese needs in materials, and also to formulate recommendations regarding types and quantities of items needed to assist in procuring in the United States and delivering to China such materials; to instruct in the use and maintenance of articles thus procured; to give advice and suggestions of appropriate character toward making lend-lease assistance to China as effective as possible in the interests of the United States and China and the world effort of resistance to the movement of conquest by force."

Brig.-Gen. Magruder, who is to head the mission, is 54 years old and was assistant military attache at Peking from 1920 to 1924 and full attache there from 1926 to 1930. After four years as professor of military tactics at the Virginia Military Institute, he was sent to Berne as military attache, remaining in Switzerland until 1939. He was assigned to the First Division at Fort Deven on Dec. 28, 1940.

Mexico Closes All German Consulates

The Mexican Foreign Office on August 23 ordered all 15 of the German Consulates in Mexico to close down by September 1. This action is said to be in retaliation for Germany's "unfriendly" act in ordering the Mexican Consulate in Paris to cease its activities.

The Mexican Foreign Office further announced on the same day that all Mexican consuls in Nazi-occupied Europe have been instructed to withdraw by September 1.

Curtailment of German activity in Haiti is envisaged in the August 23 announcement by the Haitian Government that special consular privileges will no longer be granted to German Consular officials in the country because of "domestic and international reasons." All Haitian consulates in Germany and German-occupied territories will also be closed.

Following the arrest of heads of German organizations in Argentina, the German Ambassador, Baron Edmund Von Thermann, conferred on August 23 with Under-Secretary of State for Foreign Affairs Gache, and requested him to furnish details regarding the steps to be taken against the arrested Germans. The Ambassador further asked to see the detained persons.

Senor Gache's reply to Ambassador Von Thermann, according to **Hava** was to state that the whole matter is in the hands of the Ministry of Justice and that the Foreign Ministry has nothing to with it.

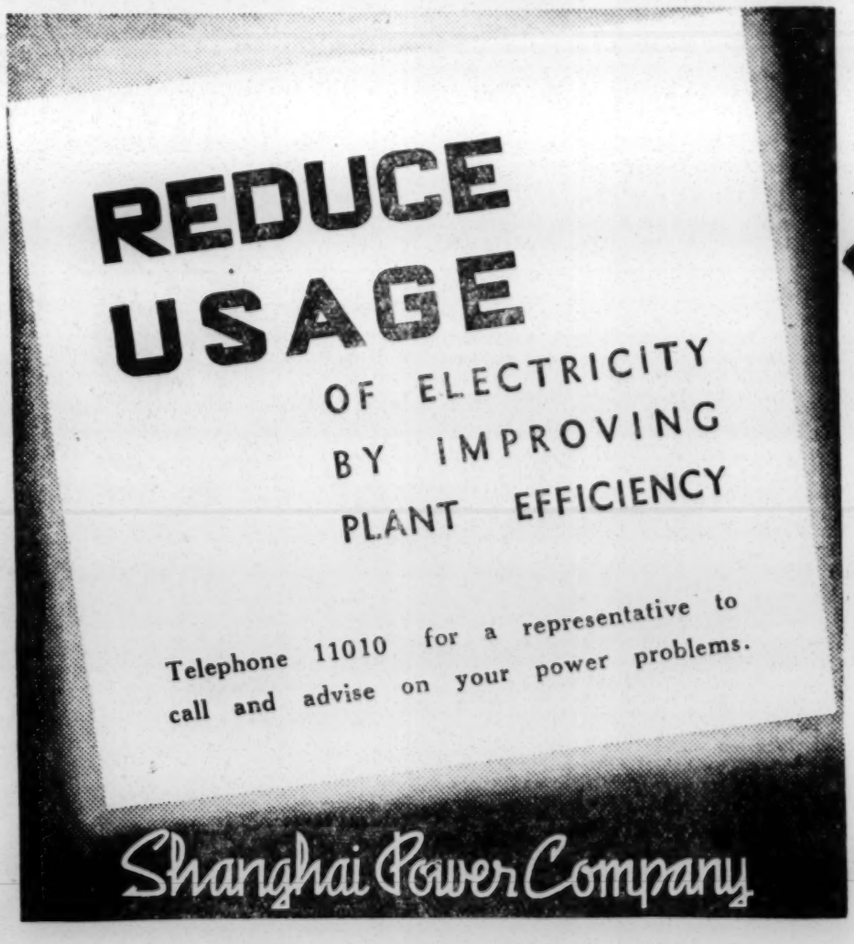
From Santiago, Chile, comes a **Transocean** report that immediate and unconditional release of four Germans arrested in southern Chile was ordered by the authorities at Vladivia on August 23. The arrests had been made on a charge of alleged propaganda activities directed against the state.

Kerensky Predicts the Defeat of the U.S.S.R.

The defeat of the Soviet Union in the war with Germany was predicted this week by M. Alexander Kerensky, last Premier of pre-Bolshevik Russia, in an article in the latest issue of **Life** magazine, according to a report from New York in the Tokyo newspaper **Hochi Shimbun.** Kerensky said Hitler is a top-ranking strategist and a military genius. Soviet forces, he declared, would not be able to stop the Germans, while American aid to the Soviets would remain nominal, since speedy delivery of arms and munitions is difficult.

Manila Bay Proclaimed A Defense Sea Area

An executive order by President Roosevelt, proclaiming the territorial waters of Manila Bay and its tributaries a defense area, was published in Washington on Aug. 22, according to a **Domei** report. The order prohibits unsupervised navigation in Manila Bay after dark and warns that violators will be subject to "attack by United States armed forces," said the report.



China to 'Unfreeze' Exchange Assets

To encourage the influx of capital into the hinterland, the Chinese Government at Chungking has approved of the release of foreign exchange assets in China through the Central Bank of China, it was reported by **Kuo Min** on Aug. 25. The provisions for such release, which are applicable to Chinese nationals as well as foreigners in China, are as follows:—

(1.) The Central Bank will purchase drafts and bank orders in foreign currencies at the following market rates:

United States Dollars at 5-5/16 (US$1=Ch.$18.82)

Pounds Sterling at 3-5/32 (£1=Ch$76.04)

Guilders at 17-1/2 (1 Guilder=Ch.$5.71)

Hongkong Dollars at 21 (HK$1=Ch$4.76)

In the case of checks issued by individuals, however, bank guarantees will be required.

(2). Deposits in foreign currencies may be transferred to the Central Bank, where a new account can be opened in the respective foreign currency. Withdrawal of these accounts may be applied for in accordance with the regulations of the Ministry of Finance, and payments will be made in the respective foreign currency.

The Central Bank will also supply foreign exchange to finance legitimate business transactions, provided that such supply of exchange is applied for in conformity with the regulations of the Ministry of Finance.

The Ministry of Finance has also instructed the Central Bank to give every facility to American institutions in China and American travellers holding United States currency or letters of credit from American banks. These Americans may convert their United States dollars, their checks and drafts into Chinese currency through the Central Bank.

Japanese Relax Freezing Rules

Relaxing previous freezing orders, the Japanese Government announced on August 22 that designated foreigners will be permitted to draw from bank accounts to the extent of 1 000 yen monthly for living expenses, instead of the present 500 yen, according to **United Press.**

The ruling applies only to banks of undesignated nationalities or postal accounts, hence chiefly Japanese banks. The regulations still exclude the National City Bank, the Hongkong and Shanghai Bank, and the Nederlandsch Indische Handelsbank, which are the principal foreign depositories.

While this will make living easier for the average foreigner than the 500 yen allowance, the new amount, when translated into United States currency, is only half the sum allowed Japanese in the United States.

Meanwhile, the Japan Newsweek, only American-owned periodical remaining in Japan, on August 23 received a Finance Ministry permit authorizing normal withdrawal of funds for the carrying on of publication for six months, according to **Domei.** As far as is known this is the only American firm in Japan thus far exempted from the freezing order.

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Repressions Under Way in France

Communist and anarchist activities in both occupied and unoccupied France will be mercilessly repressed, and "special sections" have been attached to all military and civilian courts and entrusted with the task of judging all crimes and misdemeanors committed by the Communists or anarchists, according to **Havas.**

These special sections of the courts will have at their disposal a scale of punishments which includes the death penalty for more serious offences. Sentences meted out by these courts are final and no appeals will be considered. Furthermore, captured suspects will be tried and sentenced immediately.

The special sections attached to military courts will include five members, mostly military men under the chairmanship of an officer of the rank of colonel or navy captain. The special sections attached to civil courts will be established in occupied France where there are no military tribunals.

Punishment Decreed

A decree published by Nazi military quarters in Paris on August 23 threatens severe punishment for outrages committed against the German military. The decree, according to **Transocean,** came as a result of the assassination of a member of the German Army at Paris two days earlier and declares that all Frenchmen under arrest at that time will be held as hostages. A number of these hostages will be shot in case of a recurrence of onslaughts on German soldiers.

French and German police, according to **Domei,** carried out the first of a series of round-ups of suspects on August 21 an effort to check the growing public unrest. Approximately 6,000 persons, of whom many are Jews, were arrested in Paris, according to **Domei,** while **United Press** places the number taken into custody at 10,000. Two of the arrested persons were immediately executed by a firing squad for alleged participation in a Communist demonstration against the Nazi occupation authorities. It is said that those arrested ranged from the ages of 17 to 50, including everybody who could not show that he was an Aryan.

Sabotage, Demonstrations

Meanwhile reports from France and occupied countries indicate that sabotage and anti-Fascist demonstrations are continuing unabated. **Tass** states that widespread protest demonstrations flared up all over the occupied regions following the publication of the Roosevelt-Churchill declaration. About 150 German officers and 350 soldiers, wounded in clashes with the anti-Fascists, are now said to be in hospitals in France, Belgium, and Holland.

An example of the acts of sabotage carried on throughout Europe was given by **Havas.** On the night of August 21, some unknown person stretched a cable across a street in a Paris suburb. A German military car which passed some time later rushed headlong into it and was destroyed, although the occupants were only slightly injured.

Duff-Cooper Flying to Singapore, Warns Japan

Mr. Alfred Duff-Cooper, former British Minister of Information and now entrusted with a special mission in the Far East, embarked with his wife on the Trans-Pacific Clipper plane at San Francisco on Aug. 26, bound for Singapore, where he will make his headquarters.

In a press interview at San Francisco, the British official warned Japan not to start any new imperialistic venture in the Far East. "I can say it is now too late for Japan to move," he said. "She should have moved just a year ago when we returned from Dunkirk without arms or ammunition. That was the moment for her to have thrown her weight into whatever project she had in mind."

Mr. Duff-Cooper conferred with officials in Washington before proceeding to San Francisco. He is expected in Singapore on Sept. 2 and it is reported that he will proceed to Batavia to confer with officials of the Netherlands Indies government.

Who's Who in China

Chow I-ao, biologist, born in Kienyang district, Fukien province, 1905; attended the National Higher Normal School, Peiping, 1922-25; Universite de Poitiers, France, 1925-28; professor of biology, National Normal University, 1928-30; National Wuhan University, Wuchang, 1930-32; University Franco-Chinoise, Peiping, 1932-36; head of Department of Biology, University of China, Peiping, 1936-37; member of Central Committee of Relief, 1938; member of Fukien Provincial Government and concurrently director of Fukien Provincial Bureau of Food Administration, since 1938. Address: Fukien Provincial Government, Yungan, Fukien.

Chow I-ao

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CUSTOMS NOTIFICATION

NO. 1653

NOTICE IS HEREBY GIVEN that Monday, September 1, 1941, will be observed as a Customs Holiday and that the Custom House will be closed and the shipment and delivery of cargo suspended on that date.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, August 26, 1941.

PEOPLE IN THE NEWS

Chang Tsui-kwai, well known Chinese poet in Peiping and author of "Ta Yu Shih" satirical poems, died on August 25.

•

Dr. Feng Yang-chai, who has been connected with the Chinese Legation at Lisbon, has been transferred to London, where he will be attached to the Chinese Embassy.

•

Konichi Kodaira, Economic Adviser to the Manchukuo puppet government, has been named Privy Councillor of Manchukuo, succeeding Teiji Tsubokami, who has been appointed Japanese Ambassador to Thailand.

•

Gen. Chiang Kai-shek has sent a telegram to the Chinese in Batavia thanking them for a donation of CN$1,000,000, which was remitted to the Government's war chest on the anniversary of the outbreak of war in the Shanghai area—Aug. 14.

•

Nanking announced on Aug. 22 that Chow Ju-heng, Director of Social Education and a Dr. Tanaka of Tokyo Imperial University, will be dispatched to Hankow on September 21 for the purpost of viewing the total solar eclipse, which will be visible in most of the Yangtsze Valley.

•

Seikan Watari, recently appointed Special Deputy Commissioner of Police of the International Settlement, arrived in Shanghai on Aug. 23, to assume his duties. He was accompanied by his family. Mr. Watari will succeed the late Chikayuki Akagi, who was shot and killed by Chinese gunmen in June this year.

•

Chao Cheng-ping, former Minister of Education at Nanking, will be president of the new Shanghai University, a Nanking Government project, according to the **Shanghai Mainichi.** The report stated that the teaching staff would be recruited largely from Waseda, Keio, Meiji and other Tokyo universities.

•

Jesse Jones, U. S. Secretary of Commerce, announced on Aug. 24 that the Defense Supplies Corporation, a government-owned enterprise, would shortly purchase all raw silk supplies in the United States. He said the purchase plan was designed to afford a market for raw silk which had been frozen like other assets.

•

Frank Gervasi, Associate Editor of **Colliers,** arrived in Manila by Australian clipper from Singapore on Aug. 22. In an interview in the Manila papers he said that Thailand was the "most likely spot" where the Far Eastern explosion might start. He thought the whole Far East was a "powder keg which only needed a slight stroke of a match to set it off." Referring to Singapore, he said it could not be taken by direct attack, but he thought it lacked offensive strength.

•

A **Havas** message from Budapest on Aug. 25 said that the Nazi militarists in Greece had arrested the Mother Superior and other members of a convent at Kifissia, near Athens, for harboring three Australian soldiers, who had been concealed in the Convent since the British evacuation of Greece. The women are to be tried by a military court, stated the report. The Nazi authorities announced a reward of 1,000 to 10,000 drachmai for information leading to the capture of other British soldiers thought to be still hiding in Greece. An earlier report stated that many British soldiers also had remained in hiding in Crete.

Cheng Pao-nan, former member of the Chinese Consulate-General at New York, and now the China representative on the American Bureau of Medical Aid to China, arrived in Chungking recently on an inspection trip of the western and southwestern provinces in connection with the distribution of medical supplies.

•

Major-General Jinkuro Ochiai, Vice-Director of the Central China Liaison Office of the Asia Development Board, which is connected with the Tokyo Cabinet, announced his intention of proceeding to Nanking on August 24 for the purpose of discussing "measures for the reinforcement of the Nanking Government." He said he intended to discuss the matter with Dr. Kumataro Honda, the Japanese Ambassador.

•

President Franklin D. Roosevelt will deliver an address to the American people on Labor Day, Monday, September 1. The President will speak from his home at Hyde Park, New York. The address will be broadcast at 5:45 o'clock Monday afternoon, which corresponds to 6:45 A.M. Tuesday, Shanghai time. The address will last for about fifteen minutes.

•

The American President Lines will permit Chinese students to proceed to the United States as passengers on President liners, according to announcement from Chungking on Aug. 15. The President Lines some time ago enforced a regulation limiting Chinese passengers to those carrying diplomatic passports, but as a result of a protest by the Chinese Foreign Ministry, the order was relaxed so far as students are concerned. The reason for the previous order was not explained.

Joseph Davies, former American Ambassador to Moscow, who is now in the United States, declared in the course of an address before the American Legion Convention in Philadelphia that "it would be a terrible risk for the United States to adopt the foreign policy advocated by the isolationists." Mr. Davies declared further that a peace concluded with Hitler now would enable the Nazi dictator to consolidate his gains and give him a breathing space to prepare for further aggression.

•

Willys R. Peck, who recently was appointed American Minister to Thailand, departed from Washington for Bangkok on August 25. Mr. Peck succeeds Hugh Grant, who recently resigned. He is one of the most widely known American diplomats in China. He was born in Tientsin of American parents on October 24, 1882 and after graduation from the University of California, he accepted a position as teacher of English in a provincial school at Tientsin. He took the examinations and was appointed student interpreter at the American Legation in Peiping in 1906 and two years later became assistant Chinese secretary. He served at various consular posts in China including Tsingtao, Hankow, Shanghai and Peiping. In 1921 he became Chinese Secretary to the Legation due to his excellent knowledge of the Chinese language. In 1925-1926 he was secretary of the American delegation to the Chinese Customs Tariff Conference. He then returned to the United States and was connected for two years with the Far Eastern Division of the State Department. In May, 1930 he was promoted to Class One, Foreign Service Officer and appointed Consul-General at Nanking, and in 1931 he was made Counsellor of Legation. Mrs. Peck is now in the United States.

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Capt. Richard Park, U. S. Army Field Artillery, arrived in Moscow on August 23 by airplane from Chungking. Capt. Park previously had charge of the U. S. Army's Russian language courses at Harvard. He will serve as Assistant Military Attache. The chief American Military Attache in Moscow is Major Ivan Yeaton, who has two other assistants, Major Michael Michela and Air Force Lieutenant Joseph Alison.

•

The lawn party held annually by the members of the American University Club, will take place at St. John's University Campus on Saturday afternoon, 4 to 7 o'clock, Sept. 6. Entertainment will include contests, a softball game, children's games, a band concert, and tea. Members have been requested to send their applications to Dr. R. J. McMullen, 10A Route Winling, Tel. 77526.

•

Henry F. Grady, former U. S. Assistant Secretary of State, and now President Roosevelt's economic representative, who arrived in the Philippines recently, is planning a tour of the Far East following his conferences with industrial and commercial leaders at Manila. His conferences have been concerned chiefly with economic problems dealing with supplies of chromium, manganese, hemp and other products.

•

A. Manuel Fox and K. P. Chen, members of the Chinese Currency Stabilization Board, who have been in Chungking for some time, went to Hongkong on Aug. 24 for a conference with Chinese and foreign bankers. E. L. Hall-Patch, C. M. G., British Financial Commissioner, who is now connected with the Committee, arrived in Shanghai this week for a brief visit here, following which he will return to Hongkong. Dr. William H. Taylor, American member of the Committee, has also been in Shanghai investigating conditions for several days, but plans to return to Hongkong shortly. According to a report in the local papers members of the Committee planned to hold a conference on the question of classification of merchandise, which may be imported at the special favorable exchange rates.

•

The Rev. John Darrock, Litt. D., O. B. E., widely known British resident of China, died at his residence in Shanghai on Sunday evening, Aug. 24. He was 76 years of age and arrived in Shanghai in 1886. He is survived by his wife, Mrs. Jame Darrock and four daughters, Ruth, Grace, Eleanor and Margaret. Rev. Mr. Darrock was a native of Motherwell, Scotland. He was connected with the China Inland Mission in work in the interior of China for 20 years, following which he came to Shanghai, where he was associated with the Society of Diffusion of Christian Knowledge in Shanghai. Later, he was connected with the translation bureau of the First University of China and later became secretary of the Religious Tract Society of London, in China. He was widely known for his knowledge of the Chineses language and literature. The funeral service at Bubbling Well Cemetery, Tuesday afternoon, Aug. 27, was attended by a large group of foreign residents. The service was conducted by the Rev. C. Wilfred Allen of Union Church. The pallbearers were the Rev. C. L. Boynton, T. Hogarth, J. B. Henry, T. H. Gwynn, James Macbeth, S. D. Main.

Franklin Roosevelt Street in Athens has been renamed, according to a German **Transocean** message, which failed, however, to give the new name, except to state that it had been taken from classical Greek history.

•

Nelson T. Johnson, former American Ambassador to China, who returned to the United States several months ago, departed from Los Angeles on the liner Monterey on Aug. 22 for his new post of American Minister to Australia. In an interview he expressed confidence in China's ultimate victory over Japan and said that after China had achieved victory, American businessmen could return to their posts and "resume where they had left off."

•

Yih Ching-kwei, a Chinese medicine dealer, was remanded in First District Court on Aug. 23 on a charge of manufacturing and selling spurious German medical products. He was arrested on complaint made by A. Zissner. Acting German Consul-General. Yih was charged with making a remedy which he called "Forte Spermin, which he labeled with the name, "Paulum Fabrik Company, Germany." He said that the medicine sold well, although it was harmless. The German Consul-General said there was no such firm as that indicated by the label on the bottle. Yih is the proprietor of the Great Atlantic Drug Store at No. 76, Lane 345 Myburgh Road, but claimed the medicine was made for him by another shop, the King Fah Drug Store, 340 Weihaiwei Road. The local Chinese Municipal Government recently issued a warning against the manufacture of fake German remedies, designed to take the place of genuine medicines which are now unobtainable from Germany.

Luis Amezcus, Mexican Minister in Tokyo, stated on August 22 that there was no anti-Japanese feeling in Mexico and that reports of a contemplated freezing of Japanese funds in Mexico were incorrect.

•

Capt. J. C. Sever, 29, of Santa Monica, Cal. proudly sailed his 25-ton ketch, the Cynjo, into Honolulu harbor on Aug. 21, after a 6,000-mile voyage from Shanghai, which started on June 20. Mrs. Sever, who accompanied her husband, became ill at Midway and was forced to make the trip to Honolulu on a ship. Others on the ketch were Thomas Bowers, 27, of Dublin and Albert Wickdahl, an American formerly connected with the Shanghai Police Department. Wickdahl is a native of Kennydale, Washington. It was reported that another passenger had joined the ketch somewhere along the route, possibly at Midway. The trip from Midway to Honolulu was made in 20 days. It was thought the trip, originally scheduled for San Francisco, probably would end at Honolulu as Capt. Sever is a member of the U. S. Naval Reserve and probably would be called for duty. Capt. Sever was originally a member of the staff of the President Pierce. He and Mrs. Sever were married in San Francisco in August 1939 and when they reached Hongkong, he took long leave and he and his wife designed and built the Cynjo. When they made their first trip in May, 1940 they were wrecked and arrested by the Japanese authorities at Formosa. After several weeks detention on a charge of spying on Japanese fortifications, they were released and finally succeeded in getting their ketch to Macao and then to Shanghai, where it was repaired. They then made another attempt, only to be wrecked on the Woosung breakwater. They finally succeeded in getting away on June 20.

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EVENTS IN BRIEF

General Chiang Yen-hsing, former War Minister of the old Peking Government under President Tsao Kun, died in Peiping on Aug. 22, at the age of 66. He was a graduate of the Peiyang Military Academy and also had studied in Japan.

•

The Chinese Engineering Society has announced its 10th annual conference for October 10, at Kweiyang, capital of Kweichow Province. Subject of discussion will be concerned chiefly with Dr. Sun Yat-sen's "Outline of National Reconstruction." More than 100 members are expected to attend. Kweichow has appropriated $15,000 to cover the expense of the meeting and also to assist the Society in its research problems.

•

According to **Domei** the National City Bank has decided to close its branch in Kobe, Japan, at the end of September, as a result of the "freezing order." The report alleged that the Yokohama office also would be closed, leaving the Tokyo office to carry on business. The office of the National City Bank in Osaka was closed several months ago due to the falling off of business between Japan and the United States.

•

While the Shanghai American School will not be officially reopened this fall arrangements have been made for the opening of a private American School, which will open on Sept. 15 with an enrolment of more than 100 pupils, according to an announcement this week. The school will be in charge of F. W. Chency, who has arranged for the use of one of the American School buildings. Eight full-time teachers have been employed and the regular school courses will be given. The pupils will include several American children and most of the non-American pupils previously enrolled in the school.

•

The Foreign Policy Association, an American unofficial organization, published a report on August 21 which contained a comprehensive review of "social and political changes in war-time Britain." The survey said that all observers agreed there had been rapid progress in the democratization of the country, that the traditional class structure had been modified, and "the gap between privileged and under-privileged sections of society greatly reduced." It was stated that symptoms of democratization included greater taxation of upper and middle classes, large scale improvements, a social security program, compulsory property insurance and public sentiment favoring housing schemes.

•

The Chinese National Government on Aug. 23 issued a mandate commending the life and patriotic activities of Cha Ping-chun, 80 years of age, who recently was killed in a Japanese air raid at Chungking. The Government also appropriated the sum of $3,000 covering his funeral expenses. Mr. Cha was a member of the war-time relief commission and had held office in Yunnan, Kweichow and Anhwei. He was at Wuhu, Anhwei at the time of the Japanese occupation of that city and unflinchingly refused all Japanese offers to become the puppet head of the city under the Japanese. Despite his advanced years he succeeded in escaping through the Japanese lines and reached Chungking.

W. A. B. Nichols, well-known rug manufacturer of Tientsin and Shanghai, who recently returned to the United States, stated upon his arrival in New York on Aug. 21 that he had been advised that the Japanese were building two large concentration comps for Americans in occupied China. He said that he had seen one of the camps, which was being built at Peitaiho. The other camp was near Shanghai, he stated. He said that American manufacturers and exporters were being "openly threatened with incarceration." Mr. Nichols recently removed one of his rug factories from Tientsin to Shanghai because of Japanese interference with his supplies of raw wool in north China.

•

The German **Transocean** news service said that Americans "will buy anything, if the article can somehow be connect-with titled nobility." The statement appeared in connection with a report from Stockholm stating that three London firms had developed thriving business selling furniture in the United States, which was manufactured from the debris of buildings, which had been wrecked by Nazi airbombs. Furniture fashioned from the demolished houses of dukes and lords "brought fancy prices," said the Nazi report. Articles made from the wrecked London Guildhall and Temple were in special demand, it was stated. Some 70,000 tons of this furniture have been shipped to the United States, claimed the Nazi report, in utter disregard of the claims of Berlin regarding destruction of Atlantic shipping.

The Central China Railway Company, which administers the former Chinese Government Railways, seized by the Japanese military, announced the appropriation of Y.200,000 for the construction of a new hospital, which will be located on Jukong Road, Hongkew. Work will be started immediately, according to the report in the **Shanghai Mainichi**, which stated further that the Japanese railway company plans the early construction of additional hospitals at Soochow, Nanking, Puchen, Kashing, Changchow, Pengpu, Woosung, Yangchow and Wuhu.

•

The **Japan Newsweek**, owned and edited by an American in Tokyo, was suppressed and the entire edition on August 24, confiscated by the police, according to **Transocean** report from the Japanese capital. The Nazi report alleged that the cause of the Japanese police action was publication of a "slanderous" article dealing with Nazi-French collaboration. The report said the paper was anti-German, had long since been banned in Germany, and that it had "tried to interfere with Japanese foreign policy." A previous report from Tokyo stated that the weekly's paper supply had been greatly restricted by the Japanese authorities.

•

The Kyobunkan, a Japanese bookstore, located in Tokyo's Ginza district, announced recently that it had purchased 100,000 foreign books from foreigners who had returned to their home lands "under the stress of the present international situation." The books which had been acquired were chiefly in the English language, with a sprinkling of German and French, stated the report. The report concluded with the statement that the new stocks would "relieve the dearth of foreign editions in Japan," but nothing was said regarding the prices paid for the books.

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The British steamer, Yuensang, scheduled to sail from Shanghai for India early in September, will carry as passengers some 400 British Indians who are being repatriated from Japan.

*

Thirty-five Germans, including nine women and children, who were traveling on the Trans-Siberian Railway when the Nazis declared war on Russia, and were detained by the Soviet authorities, were released on Aug. 22 and turned over to the authorities of Manchukuo. The Germans were from the Netherlands East Indies and were on their way home, when Hitler caused their journey to be interrupted.

*

According to **Kuomin** report from Lanchow, Kansu, a district magistrate at Lunghsi, named Huang Lin, had been executed following a trial in which he was found guilty of extorting bribes in connection with opium suppression regulations. Another report from Shuichow, Kwangtung, told of the arrest of another magistrate named Li Chao-hsiung, at Enping, western Kwangtung, on charges of corruption and dereliction of official duties. The charges were brought by Gen. Li Han-hun, chairman of the Kwangtung provincial government.

*

Because of a government order banning the use of foreign political insignia in the United States, the Communist Party of America has scrapped its sickle-and-hammer emblem, copied from the Soviet Union, and replaced it by a hammer-and-fork emblem, according to a **Transocean** report from New York. The fork, it should be explained, is not the dinner-table tool, but the larger implement used by farmers, so that the new emblem continues to signify the union of industrial and agricultural labor.

The Duke of Kent, younger brother of King George VI of England, arrived in New York from Ontario, Canada on Aug. 23 and proceeded to Hyde Park to visit President Roosevelt. The Duke arrived by air from the British Dominion and was welcomed by New York's Mayor, Mr. Fiorello LaGuardia. Four thousand people gathered at the airport to cheer him, **Reuter** reported. After spending the week-end at Hyde Park, the Duke proceeded on Monday morning to Washington with the President. His visit to the United States was described as "informal."

*

The North China Political Council, which serves as a government in Peiping under the Japanese Military Headquarters, announced the creation of a special committee on August 25, which will be entrusted with the management of Chinese factories which have been "returned" by the Japanese Army. The Committee began functioning on August 24 and has been provided with a capital of FRB$15,000, according to the report. The **China Weekly Review** published two articles in its issues of Aug. 16 and 25 dealing with the "return" of Chinese factories in the Shanghai district, which indicated that most of the Chinese factory owners have been dispossessed and their properties turned over to the Japanese and Nanking politicians. The Shanghai City (Nantao) Chamber of Commerce, which now has its headquarters in Hongkong, sent a circular telegram to the proprietors of Chinese industrial enterprises at Shanghai, advising them to remove their enterprises to interior China. The telegram said that the Nanking authorities are planning the assessment of "illegal" taxes, which will make it difficult for the factories to operate even in the foreign concessions.

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New Books of Interest in the Far East

Newsreel Man's Saga

I WITNESS—By Norman Alley. Published by Wilfred Funk, New York.

In our time, when life is more romantic than fiction, books of the type under review invariably appeal to the reading public. The author, who had early given up journalism for press photography, spent a highly adventurous life, eye-witnessing and recording for public benefit events ranging from boxing championships in America to the sinking of the "Panay" in China by the Japanese, and from the Quintuplets' happy family life to Germany's rape of Holland in this war.

Norman Alley has been a press photographer for more than 30 years. Starting as a cub reporter at a time when press photography was still in its infancy, he won repute for taking the first bird's-eye-view pictures of Chicago from an airplane. When the first moving pictures appeared, he associated himself with the Hearst-Pathe combine and has worked with them ever since, having won international fame with his "scoops" of world events.

Assigned to cover the Sino-Japanese war, Norman Alley was on board the "Panay" when this ship was made the target of Japanese bombers near Nanking and sunk. He not only took pictures of the entire scene, but after great tribulation and suffering rescued his films and smuggled them to America, where they were shown in the White House.

Among other outstanding events of his colorful career he devotes most space to re-telling what he saw in Holland in April, 1940. In the chapter entittled "I Saw Holland Die," the reader gets a remarkably clear picture of destructive forces at play which spelled Holland's untimely defeat, and in the following chapter—"And I know what killed her"—the most picturesque description of Fifth Column activities yet written.

Norman Alley's adventurous career made him zigzag across continents, fly around the globe and risk his life in a thousand different ways, including a chance to lose it less conspicuously from gangsters' bullets when attempting to photograph Al Capone. But never did his heart shrink as much as when he returned from war-torn Europe to America and saw:

> "Central Park. How different from places like Hyde Park, Unter den Linden, Champs Elysees, Mint Tower Square, Shanghai Bund and some of the rest of the world's metropolitan playground. Yes, how different, but for how long?
>
> "Thus I found myself back from hell, and uttering the prayer of a roughneck who craves for peace, that the same hell wouldn't be permitted to spout its molten brimstone across the Ocean and catch up with me, as I had so many times gone out of my way to catch it.
>
> "I found myself hoping that the United States of America would buckle on the sword of impregnable national defense and lead the very brotherly Dominion of Canada and the twenty-one safe and sane republics of the Western Hemisphere in the overwhelming campaign against foreign aggression that would guarantee the permanent peace of community breathing spaces like Central Park long after the European dictators and all enemies to the true democracies had crumbled into dust!
>
> "When that day comes and if I'm still around, my battle-scarred camera will be on the job and clicking. For the coming of peace, with its ultimate victory for the lovers of personal liberty, will be the biggest front-page news of all time!"

"I Witness" reads like a Jules Verne novel or a Fenimore Cooper adventure story. One can blame the author only for his profuse and indiscriminate use of American slang, and the publishers for omitting to include pictures in the book. This book, if any, should have been well illustrated.

A. G.

He Saw the Future

UNHEEDED WARNINGS: The History of a Futile Effort to Avert National Disaster. By De Witt S. Snell, M.S. in E. E. The Gazette Press, Schenectady, N.Y., 1940. Cloth. 218 pages; Price, U. S. $2.00.

There are always people who can say "I told you so." But if one can present documentary evidence of anticipatory opinion and pioneer influence he must command our respect; and DeWitt Snell, author of "Unheeded Warnings," is such a person. His book is a compilation of letters, articles and addresses of the years 1938-1940. "As I write these words" he says in his preface, "Hitler's legions are driving on towards Paris." He wants "to convince the American public of the certain disaster that would befall our nation if it failed to support to the limit the other democracies of the world in their struggle against Hitlerism."

For thought directed towards action, let us give an illustration and at the same time give Mr. Snell credit due. On July 19, 1939 he sent a telegram to the President, in which he said, "I urge the declaration of an emergency and the establishmnt of a war economy to arouse our people to realities." Nearly two years later, on May 27, 1941, to be exact, President Roosevelt proclaimed "an unlimited national emergency." The point in mentioning this is not to show that Mr. Snell's thinking influenced President Roosevelt, for no American was ahead of the President in that matter, but that it was in line with the shape of things to come.

Or take another quotation from Mr. Snell's book, from a letter written to newspapers a month after the Russo-German Pact was signed in 1939, answering the argument that the pact gave Stalin the means of forcing Communism on the world: "'This interpretation of the pact is, I believe, erroneous. In my opinion, Hitler is the real gainer from this pact, which he will terminate as soon as he no longer needs Russian aid, as he terminated the non-aggression pact with Poland....It is not Communism, but Hitlerism, that is destined to rule this world, if the civilized nations do not unite their forces."

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Mr. Snell makes no claim to have been the first to see the danger to America from Hitler's ambition. He gives due credit to Dorothy Thompson, who certainly deserves it, for having "predicted the course of events with accuracy....But few people would believe her." So Mr. Snell set about writing to editors, senators and others, urging that the embargo against the Allies be lifted, urging conscription, urging an awakened faith in democracy with repudiation of the pagan spirit of "glorifying leisure and idleness." The dictator nations were "superior to us" in that they made no pretentions to humanity. Hitler emphasizes race and he is right, for "race is character," and the character of the American people has been sapped by the materialism of the machine age. Mr. Snell is so right that one might easily be repelled by his rightness. In his despondency about America's waking up he is wrong, for at best he seems to hope only to "save something from the wreckage of civilization" wrought by Hitler. Thanks to the leadership of a great statesman-president Americans need have no such fear. But let us give Mr. Snell the credit he deserves; he writes with sound political intelligence and a fine sense of moral and religious values. And the effects of such an influence will be good.

D. R.

On the Record

JAPAN AND THE THIRD POWERS—By Shuhsi Hsu, Ph. D. Vols. III and IV. Published by Kelly and Walsh, Limited, Shanghai.

The second volume of Mr. Hsu's interesting study has already been reviewed in these columns, and it is a pleasure to welcome the appearance of volumes III and IV, concluding his useful work.

"Japan and the Third Powers", according to the author, is "a simple digest of records, telling the story of what the Japanese have done and tried to do to Third Powers during their present 'incident' in China apart from what is unavoidable and incidentally how in each case the latter, especially Great Britain, the United States and France, the three that are most affected, have reacted."

Volume III opens with the text of the note of protest delivered by the U.S. Government to the Japanese Government on October 6, 1938 and the latter's reply made on November 3. The following chapter, entitled "Turning a deaf ear to the United States, Great Britain and France Knocking Outside," deals in detail with representations made by these Powers in sign of protest against Japan's slamming China's door before their very nose. The next chapter is devoted to the vexed problem of closing the Yangtsze to foreign shipping and the fruitless attempts of the Powers to restore the **status quo.**

The extension of operations to South China and the creation of a serious threat to Hongkong, the occupation of Hainan Island and the curbing of the Third Powers' commerce in Canton and Hankow, are dealt with in subsequent chapters. The last section of the volume is devoted to Japan's attempts at securing "cooperation" of the Shanghai Municipal Council and measures of pressure applied to the French Concession authorities.

Volume IV begins with the record of the Japanese landing at Kulangsu and the blockading of the island, also the proposed changes in the status of the International Settlement in Kulangsu.

With the shifting of the scene back to Shanghai, the reader is offered a detailed and most interesting summary of how the Japanese put forward their demand for a drastic change in the status of the International Settlement in Shanghai. Such "side issues" as the bayonetting of a Briton in Shanghai and the stripping of Britons—men and women—in Tientsin are also given sufficient space and certainly add color to Japanese methods of pressing home their demands.

The situation created at Tientsin after the blockade of the British Concession is given a very vivid description, as well as the growth of anti-British agitation and Anglo-Japanese discussions regarding the situation in the North.

Dealing with events up to the close of 1939, the author mentions briefly the bombing of the Consular District in Chungking and the closing of the southeastern coast, and concludes with a description of the effects which the conclusion of the Soviet-Nazi Pact had upon Japanese policy in China.

Mr. Hsu has undoubtely done a useful piece of work. As he himself admits, his job is not finished, and he intends to deal in like manner with events subsequent to the outbreak of the European war which had such far-reaching repercussions on the situation in the Far East.

A. G.

Texaco Office Being Moved to Singapore

The head office of the Texas Company (China) Limited, located in Shanghai, is to be moved to Singapore early in September, the **Shanghai Evening Post** reported on Aug. 23. Only part of the staff will be transferred, according to Mr. P. F. LeFevre, the general manager, and the remainder will continue to run the office here as a local branch for the sale of gasoline and oil. Transfer of the head office is taking place on orders from company headquarters in New York, it was stated. Close to 100 Chinese employees whose services are no longer required are being discharged, with six months' pay as special compensation.

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